



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 81st CONGRESS, SECOND SESSION

SENATE

MONDAY, AUGUST 21, 1950

(Legislative day of Thursday, July 20, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. F. Norman Van Brunt, associate minister, Foundry Methodist Church, Washington, D. C., offered the following prayer:

Almighty and eternal God our Father, we pause in this moment dedicated to the elevating of our thoughts and motives to Thy presence. Look upon them, we pray Thee, that, as we face this new day, we may be blest to use them to their fullest and best intent. We thank Thee that Thou hast set in our hearts a dream of life without futility, of faith without fear, of freedom without folly. Arise Thou within us as strength and healing and victory, overcoming all confusion of purpose, all haunting failure, and all that keeps us from the best to which Thou callest us. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, August 18, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT— APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On August 11, 1950:

S. 2655. An act for the relief of Mrs. Evelyn M. Kryniak.

On August 19, 1950:

S. 1858. An act to permit the admission of alien spouses and minor children of citizen members of the United States Armed Forces.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the concurrent resolution (S. Con. Res. 101) relative to the reenrollment of the bill (S. 3059) for the relief of John J. Sebenick.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 250) for the correction of the enrollment of the bill (H. R. 2854) for the relief of Wade H. Noland, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 815. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Crow Creek Indian Agency, S. Dak.;

S. 816. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Pine Ridge Indian Reservation, S. Dak.;

S. 1064. An act to authorize the sale of land allotted to Mrs. Iris Huebner Marak on the Pine Ridge Reservation, S. Dak.;

S. 1457. An act to authorize the sale of lands allotted to George C. Estes on the Lower Brule Indian Reservation, S. Dak.;

S. 3039. An act to repeal the prohibition against the filling of the vacancy in the office of district judge for the western district of Pennsylvania; and

H. R. 6000. An act to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hill	Maybank
Anderson	Hoey	Millikin
Benton	Holland	Morse
Brewster	Humphrey	Mundt
Bricker	Hunt	Murray
Bridges	Ives	Myers
Butler	Jenner	O'Connor
Eyrd	Johnson, Colo.	O'Mahoney
Capehart	Johnson, Tex.	Pepper
Chapman	Johnston, S. C.	Robertson
Chavez	Kefauver	Russell
Cannally	Kern	Saltonstall
Cordon	Kerr	Schoeppel
Darby	Kilgore	Smith, Maine
Donnell	Knowland	Smith, N. J.
Douglas	Langer	Sparkman
Dworschak	Leahy	Stennis
Ecton	Lehman	Taft
Ellender	Lodge	Taylor
Ferguson	Long	Thomas, Okla.
Flanders	Lucas	Thomas, Utah
Frear	McCarran	Thye
Fulbright	McCarthy	Tobey
George	McClellan	Tydings
Gillette	McFarland	Watkins
Graham	McKellar	Wherry
Green	McMahon	Wiley
Gurney	Magnuson	Williams
Hendrickson	Malone	Withers
Hickenlooper	Martin	Young

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Michigan

[Mr. VANDENBERG] are absent by leave of the Senate.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be permitted to submit petitions and memorials, introduce bills and joint resolutions, and present routine matters for the RECORD, without debate and without speeches.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

GRANTING OF STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

A letter from the Attorney General of the United States, transmitting, pursuant to law, copies of the orders of the Commissioner of the Immigration and Naturalization Service granting the application for permanent residence filed by certain aliens, together with a statement of the facts and pertinent provisions of law as to each subject and the reasons for granting the applications (with accompanying papers); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

A letter from the Attorney General of the United States, transmitting, pursuant to law, copies of the orders of the Commissioner of the Immigration and Naturalization Service suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law in each case and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

REPORT ON TORT CLAIMS PAID BY DEPARTMENT OF AIR FORCE

A letter from the Assistant Secretary of the Air Force, transmitting, pursuant to law, a report of tort claims paid by the Department, for the fiscal year 1950 (with an accompanying report); to the Committee on the Judiciary.

PETITIONS

Petitions, etc., were laid before the Senate and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by Patton-Bataan Post, No. 1534, Veterans of Foreign Wars, Los Angeles, Calif., favoring the enactment of legislation providing universal military training; to the Committee on Armed Services.

A letter from the Assistant Secretary of State, transmitting a letter from the Philippine Ambassador, together with a resolution adopted by the Provincial Board of Bataan, at Balanga, Philippine Islands, relating to a special appropriation for Bataan; to the Committee on Foreign Relations.

RESOLUTIONS OF EXECUTIVE COMMITTEE, THE AMERICAN LEGION, DEPARTMENT OF NORTH DAKOTA, FARGO, N. DAK.

Mr. YOUNG. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the body of the RECORD, several resolutions adopted by the department executive committee, the American Legion, Department of North Dakota, meeting at Fargo on August 13, 1950. The resolutions concern assistance to State-owned soldiers' homes, an extension to the veterans' farm-training program, the extension of some veterans' benefits to those participating in the combat operations in Korea, urging adoption of a military-training program, and urging requirement of loyalty oaths from people in all governmental positions and those holding responsible positions in educational institutions and political organizations.

It is my opinion that the resolutions reflect the constructive thinking of American Legion posts throughout the country, and particularly of the very active and helpful Legion organization that we have in North Dakota.

There being no objection, the resolutions were ordered to be printed in the RECORD and referred, as indicated:

To the Committee on Labor and Public Welfare:

"Whereas the North Dakota Soldiers' Home at Lisbon is one of the finest State institutions of its kind in America both as to the facilities available and as to the services rendered its members; and

"Whereas one of the main sources of revenue needed to maintain this high standard of care so necessary to the proper function of a home of this type is Federal aid received under existing laws; and

"Whereas present allowances from the Federal Government for each eligible veteran amount to \$500 per annum but are to be reduced to \$300 per annum after July 1, 1951: Now, therefore, be it

Resolved by the department executive committee, the American Legion, Department of North Dakota, meeting at Fargo, N. Dak., August 13, 1950, That the national legislative commission of the American Legion obtain amendatory legislation in the session of Congress opening in January 1951 to continue Federal aid after July 1, 1951, to State institutions such as the North Dakota Soldiers' Home, at its present rate; and be it further

Resolved, That this amendatory legislation stipulate that such aid be effective on the date the veteran is admitted to the State home rather than on the date the Veterans' Administration approves his eligibility."

"Whereas present provisions of the GI bill of rights make it necessary for veterans to enter farm training by July 25, 1951, and to remain in continuous training in order to take advantage of the law's benefits; and

"Whereas many veteran farmers of North Dakota have been unable to take advantage of their entitlements under the GI bill of rights because of the failure of the Veterans' Administration to provide the qualified instructors necessary to carry on a successful program of training as outlined by the Veterans' Administration which would be of value to the enrollees; and

"Whereas because of these situations an injustice would be forced upon the veterans of our State: Now, therefore, be it

Resolved by the department executive committee, the American Legion, Department

of North Dakota, meeting at Fargo, N. Dak., August 13, 1950, That the National Legislative Commission of the American Legion obtain amendatory legislation in the session of Congress opening in January 1951 to extend the deadline for entering farm training under the GI bill of rights at least 1 year."

To the Committee on Armed Services:

"Whereas American military, naval, and air forces are now engaged in combat operations in Korea which have attained the proportions of a full-scale war as far as these fighting forces are concerned; and

"Whereas casualties suffered in this armed conflict are no different from those suffered in a fully declared state of war so far as their effects upon the fighting men and women and their families and dependents are concerned: Now, therefore, be it

Resolved by the department executive committee of the American Legion, Department of North Dakota, meeting at Fargo, N. Dak., August 13, 1950, That the American Legion's national legislative commission obtain enactment in the Congress of the United States such legislation that will extend by law to the members of the Armed Forces now in the field or who may hereafter be ordered to active duty during the present emergency, the status of veterans for the purpose of assuring them and their dependents the same death, disability, and dependency benefits now available to veterans of World Wars I and II."

"Whereas members of the American Legion throughout this Nation for the third time in 34 years are again being called to leave their businesses, their homes, and their loved ones to offer their lives in the defense of their form of government, a government that guarantees to each of its citizens the right of life, liberty, and the pursuit of happiness; and

"Whereas thousands of disabled veterans of World War I and II are still confined in Government medical, mental, and tubercular institutions as a direct result of the battles they fought, paying the penalty for our country's unwillingness to recognize the dangers of an inadequate national defense program; and

"Whereas their voices, voices of those who know the drudgery of warfare, have been raised time after time to Congress and to the people of the United States in an effort to prevent what is now taking place in Korea, where thousands of untrained, inadequately equipped American boys are being forced into battle to be slaughtered on the altar built for their country by foreign agents who were allowed to come to our shores as teachers in our schools and colleges and whose definite assignment by the governments they represented was to sell a foreign philosophy and to sabotage completely our own democratic system; and

"Whereas these saboteurs, assisted by other foreign agents allowed to enter our country because of laxity in our immigration laws, were able to secure key positions in our labor, industrial, business, church, and youth organizations, and through fear of political power were able to obtain highly important positions in our Federal Government where the story of peace at any price was effectively sold to the American people; and

"Whereas the program of these foreign agents was for the elimination of all types of training for the youth of this Nation, both physical and military, and for the constant barrage of correspondence by their fellow-traveler organizations upon Members of Congress and their State legislatures urging opposition to the appropriation of any funds designed for the purpose of developing our national security program, at the very time the countries they represented were building great war machines for the avowed purpose of overthrowing our form of democratic government; and

"Whereas now that the pattern designed by these foreign agents in this country un-

folds, the American people must now realize that their failure to support a sound national defense program has cost the lives of thousands of American citizens and has almost wrecked the economy of this Nation because of the tremendous cost we now have to bear as the result of our failure to set up a sound defense training program for our youth and our negligence to provide an intelligent year-by-year development of the necessary implements to safeguard our national security; and

"Whereas the American Legion since its inception has advocated a youth training program under civilian direction that would, if put into effect, discourage international bandits from perpetrating acts of violence that make necessary the drafting of American sons into the fighting forces; and

"Whereas it is the cold experience of veterans of all our past wars that the trained soldier lives and the untrained soldier dies: Now, therefore, be it

Resolved, That the department executive committee of the North Dakota Department of the American Legion on this 13th day of August 1950 call upon all the patriotic citizens of this great State to immediately write their Congressmen and Senators to support a civil training program in this session of Congress to the end that this Nation, by so doing, will demonstrate to the world that we are willing to protect the rights and privileges of a free and peace-loving people."

To the Committee on the Judiciary:

"Whereas our country is again engaged in armed hostilities on foreign soil through no choice of its own, but solely in accordance with its duty and mandate under the United Nations Charter; and

"Whereas there are in our country today many persons who are literally agents of an unfriendly foreign power who are engaged in a program of subversive activities directed against the welfare of our country: Now, therefore, be it

Resolved, That the department executive committee of the American Legion, Department of North Dakota, recommends and urges that the necessary steps be taken to require a loyalty oath from all persons holding positions or offices in our Government, local, State, and National, and from all persons holding responsible positions in educational institutions and in organizations which participate in political activity or attempt to influence political action or public opinion."

RESOLUTIONS OF NATIONAL AFFAIRS COMMITTEE OF MILWAUKEE ASSOCIATION OF COMMERCE

Mr. WILEY. Mr. President, I have received today from the distinguished manager of the public affairs division of the Milwaukee Association of Commerce a series of resolutions which were adopted at a meeting of the national affairs committee of the association on August 11. I believe that the comments of the committee are particularly appropriate in connection with matters which we are considering right now before the Senate, namely, our foreign policy, home-front mobilization, and antisubversive legislation.

I ask unanimous consent, therefore, that the text of the three resolutions on these vital subjects sent to me by Dan McNally be appropriately referred and printed in the RECORD at this point, to be followed thereafter by a list of the membership of the national affairs committee and of its staff.

There being no objection, the resolutions were ordered to lie on the table and to be printed in the RECORD, together with a list of the membership

of the national affairs committee, as follows:

4. INTERNATIONAL RELATIONS

Favored negotiation of peace terms and the execution of treaties with Germany and Japan on an immediate, and relatively the same, basis as we have done in the case of Italy, with or without Russian participation. This reaffirms previous association position as the committee believes the subject is particularly urgent now in view of the world situation. It is believed that the necessity of supplying foreign aid would be considerably reduced if our State Department would take necessary action implementing the efforts of war-torn countries to build a self-sustaining economy.

It is imperative that, in addition to the consummation of peace treaties with Germany and Japan, trade treaties with other countries of the world be reviewed in the light of the impact on free world trade resulting from the growing sterling bloc and the influence of such bloc on other countries of the world.

We are presently operating under treaties of friendship and commerce in some cases 30 and 40 years old. When these treaties are reviewed, tariff policies will come up for discussion. The committee believes that the best way to arm our State Department with information affecting tariffs is through the utilization of the United States Government Tariff Commission before whom hearings can be had upon petition by businesses or industries affected by such tariffs.

In connection with the war in Korea, with casualties mounting and the whole expense so far on the United States in manpower and money, the committee recommends that our State Department insist upon a greater degree of cooperation from other nations and that a demand be made for more manpower as well as military facilities.

5. ECONOMIC AND MILITARY MOBILIZATION FOR WAR EFFORT

Favored the adoption of the following as a statement of policy in connection with mobilization, controls, and war financing.

We are now being threatened with dictatorial economic controls, and these controls would erect mountain road blocks of red tape at every strategic production intersection. They would regiment our daily lives needlessly.

The basic arguments presented in favor of such new regimentation are that economic controls would prevent a runaway inflation and would assure availability of material for military purposes.

It should be remembered that in existing laws the President already has all of the power he needs to assure military production. The Selective Service Act alone authorizes the President to mobilize the manpower of factories and the materials needed to fight the Korean War or to make necessary "peace offensives" elsewhere.

Inflation cannot be prevented by controls. The evil effects of inflation are only postponed unless the causes are removed. These causes are not connected with controls. The primary cause is the creation of new credit by Government printing press money and the issuance of bonds.

It is therefore recommended that we view the situation realistically and be cognizant of the fact that inflation has followed every war in our history because we have not paid our way as we went. The committee recommends the following policy:

1. Pay as you go for all expenses of the Government including military.
2. That Congress increase taxes on an equitable, nondiscriminatory basis immediately.
3. That Congress and Government agencies make drastic cuts in less-essential governmental expenditures.
4. That Congress invoke limited credit controls.

5. That Congress provide for a government-sponsored, industry-administered plan of allocation of certain basic materials.

6. That all business organizations, social groups and individuals pledge to exercise voluntary restraint in any matter that would affect our wartime economy, such as hoarding, creating gray or black markets, and in other words inducing inflation. Only if the emergency grows and voluntary restraints fall should consideration be given to the imposition of economic controls.

7. SUBVERSIVE ACTIVITIES

Favored S. 2311 which has as its purpose the protection of the United States against subversive activities. It is believed that this bill, with its carefully worded definitions, its registration requirements, its attempt to guard against impulsive libeling and accusation without full and adequate hearing, its protection of classified Government materials and its attempt to prevent the employment by the Government of people of doubtful loyalty, is highly essential legislation at this juncture in our history. It is believed that the bill would not impair the freedom of liberty of any loyal American whether in speech or other activity.

The committee recommends that Congress continue to investigate communism and other subversive activities in and out of government and that sessions be open hearings to the press and the public in all instances where security of the country is not involved.

The list of the membership of the national affairs committee and its staff is as follows:

MILWAUKEE ASSOCIATION OF COMMERCE, NATIONAL AFFAIRS COMMITTEE

Walter Harnischfeger, chairman, Harnischfeger Corp.; James B. Morrison, Wisconsin Telephone Co.; Robert W. Baird, Robert W. Baird & Co.; John P. Boynton, Boynton Cab Co.; William H. Brandt, Chain Belt Co.; James O. Kelley, Medical Society of Milwaukee County; William R. Pate, Pate Oil Co.; Arthur M. Sells, Wisconsin Electric Power Co.; Charles F. Wehr, Wehr Steel Co.; Thomas W. Korb, counsel, Harnischfeger Corp.

Staff: Chris R. Isely, assistant executive director; Ray A. Niemitz, manager, research bureau; Daniel J. McNally, secretary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HUMPHREY, from the Committee on Post Office and Civil Service:

S. 3672. A bill to amend section 3 (c) of the Civil Service Retirement Act so as to make the exclusion from such act of temporary employees of the Senate and House of Representatives inapplicable to such employees with one or more years of service; with amendments (Rept. No. 2373).

By Mr. McCLELLAN, from the Committee on Public Works:

H. R. 6339. A bill to authorize a preliminary examination and investigation to determine the feasibility and advisability of constructing a multipurpose tunnel through the Laguna Mountains in San Diego County, Calif.; without amendment (Rept. No. 2374).

DEPENDENTS ASSISTANCE ACT OF 1950— REPORT OF A COMMITTEE

Mr. TYDINGS. Mr. President, from the Committee on Armed Services, I report an original bill (S. 4071) to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes, and I submit a report (No. 2372).

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar.

The bill (S. 4071) to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes, reported by Mr. TYDINGS, from the Committee on Armed Services, was read twice by its title, and placed on the calendar.

Mr. TYDINGS. Mr. President, I should like to make a short statement of about 3 minutes so that Members of the Senate may understand the purpose of the bill.

The VICE PRESIDENT. Is there objection to the request of the Senator from Maryland? The Chair hears none, and the Senator from Maryland may proceed.

Mr. TYDINGS. Mr. President, with the unanimous approval of the members of the Armed Services Committee I am reporting to the Senate a bill to provide additional allowances for the dependents of enlisted members of the Armed Forces. This bill has received the diligent attention of the committee for the past 10 days and when placed in operation will make available to the dependents of enlisted personnel funds to meet their living expenses in a fixed amount and on a regular basis.

Consideration was given to a bill with provisions similar to World War II Dependent's Allowance Act but in view of the liberal increases in pay granted to enlisted members, particularly those in the higher grades since 1942, such a bill did not suit present needs. The committee adopted the procedure of amending, on a temporary basis, the Career Compensation Act of last year. These temporary amendments authorize allowances, varying according to the number of dependents, for those members in the lower grades and small increases in allowances for those members in the higher grades with over two dependents. Payments to dependents consist of the authorized allowance plus a required allotment from the pay of the member. The minimum payments made to dependents are one dependent \$85, two dependents \$107.50, and with over two dependents \$115.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. CONNALLY. Does that amount include the allotment from the soldier?

Mr. TYDINGS. That is the allotment by the soldier with the help of the Government combined. It shows what the dependents get.

Payments to those in the higher grades are increased by larger allowances and allotments. In all cases sufficient pay is left to the man in service to meet his needs.

While increased allowances have been provided for those having more than two dependents, it is the considered sense of the committee that it is not in the national interest at this time to induct or order into the service enlisted men, particularly in the lower grades, with more than three dependents. This policy is set forth in the bill.

Less than 1 month ago, on July 31 to be exact, some of the Members of the Senate may have witnessed a small unit of marines moving up Constitution Avenue preceded by a band. At the Senate Office Building they turned toward the railroad station. Instead of the dress blues, they wore field uniforms with knapsacks on their back and carbines slung from their shoulders. This was the Washington Reserve marine battalion reporting for active duty. Crowds did not line the streets, but there was a group of women and children that followed the line of march to the station. Within the past few weeks and in the weeks to come, this scene has and will be repeated in many communities in every State of the United States. Some of those who marched to the railroad station on that day left home and their

families for many months—and perhaps forever—because some from that unit are at this very moment on their way to the fighting area. Mr. President, this is a drastic action, but only drastic action has saved the day in Korea.

Prompt action on this bill by the Congress will lessen the worry and burden of those with family responsibilities in the Armed Forces as well as the members of their families. I urge that this bill be made the unfinished business of the Senate at the earliest possible moment.

I have had prepared a table showing the payments to be made to dependents under the provisions of this bill. I ask that the table be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Allowances			Minimum monthly pay	Allotted from pay	Amount to dependents			Left for member
	1 depend-ent	2 depend-ents	Over 2 depend-ents			1 depend-ent	2 depend-ents	Over 2 depend-ents	
Pay grade 7.....	\$67.50	\$67.50	\$75	\$198	\$80	\$147.50	\$147.50	\$155	\$118
Pay grade 6.....	67.50	67.50	75	169	80	147.50	147.50	155	89
Pay grade 5.....	67.50	67.50	75	139	60	127.50	127.50	135	79
Pay grade 4.....	67.50	67.50	75	117	60	127.50	127.50	135	57
Pay grade 3.....	45.00	67.50	75	95	40	85.00	107.50	115	55
Pay grade 2.....	45.00	67.50	75	82	40	85.00	107.50	115	42
Pay grade 1.....	45.00	67.50	75	180	40	85.00	107.50	115	40

¹ With over 4 months' service.

NOTE.—Amount to dependents is made up of allotment from pay plus authorized allowance in accord with the number of dependents. Allotments from pay shown are minimum required. Examples: (1) A wife and child of an enlisted member in grade E-1 will receive \$107.50, leaving \$40 for the member; (2) a wife, child, and dependent mother of an enlisted member in grade E-6 will receive \$155, leaving a balance of \$89 for the man; (3) a dependent child and a dependent mother of an enlisted member in grade E-5 will receive \$127.50, leaving a balance of \$79 for the man.

Mr. THYE. Mr. President, it came to my attention last week that there was a tightening up of credit, not only insofar as it related to home loans, but with regard to any young man who is subject to call for military service.

I received information from Minnesota last week that agencies which deal with credit, home loans, and the like, were already asking, "Are you apt to be called into service in the near future?" If the applicant was likely to be called, then he would not be held qualified for a loan.

I mention this because if there is that tendency, we should check it as relates to credit agencies having to do with home loans especially.

Mr. TYDINGS. Mr. President, I am glad to have had the Senator's observation.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 21, 1950, he presented to the President of the United States the following enrolled bills:

S. 815. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Crow Creek Indian Agency, S. Dak.;

S. 816. An act to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Pine Ridge Indian Reservation, S. Dak.;

S. 1064. An act to authorize the sale of land allotted to Mrs. Iris Huebner Marak on the Pine Ridge Reservation, S. Dak.;

S. 1320. An act for the relief of Mrs. Barbra Romero;

S. 1457. An act to authorize the sale of lands allotted to George C. Estes on the Lower Brule Indian Reservation, S. Dak.;

S. 2457. An act to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of A. K. Chahroudi; and

S. 3099. An act to repeal the prohibition against the filling of the vacancy in the office of district judge for the western district of Pennsylvania.

BILLS INTRODUCED

Bills were introduced, read the first time, and by unanimous consent, the second time, and referred as follows:

(Mr. TYDINGS, from the Committee on Armed Services, reported an original bill (S. 4071) to provide allowances for dependents of enlisted members of the uniformed services, to suspend certain provisions of the Career Compensation Act of 1949, and for other purposes, which was ordered to be placed on the calendar, and appears under a separate heading.)

By Mr. STENNIS (for Mr. EASTLAND): S. 4072. A bill for the relief of Ella Stufka and her son;

S. 4073. A bill for the relief of Guenter Wicke; and

S. 4074. A bill for the relief of Pamela Bentley; to the Committee on the Judiciary.

AMENDMENT OF FEDERAL-AID ROAD ACT—AMENDMENTS

Mr. DOUGLAS submitted amendments intended to be proposed by him to the bill (H. R. 7941) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes, which were ordered to lie on the table and to be printed.

WADE H. NOLAND—REENROLLMENT OF BILL

The VICE PRESIDENT laid before the Senate House concurrent resolution (H. Con. Res. 250), which was considered by unanimous consent and agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That the President of the United States is requested to return to the Senate the enrolled bill (H. R. 2854) for the relief of Wade H. Noland. If and when said bill is returned by the President, the action of the Presiding Officers of the two Houses in signing said bill shall be deemed rescinded; and the Clerk of the House is authorized and directed, in the reenrollment of said bill, to make the following correction: Page 1, line 4, of the House engrossed bill before the name "Wade" insert "the estate of" and amend the title to read "For the relief of the estate of Wade H. Noland."

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. McMAHON, from the Senate members of the Joint Committee on Atomic Energy:

Thomas Keith Glennan, of Ohio, to be a member of the Atomic Energy Commission for the term of 5 years, expiring June 30, 1955, vice Lewis L. Strauss, resigned.

PROCEEDINGS ON OCCASION OF DEDICATION AT WEST POINT OF A MONUMENT TO GEN. GEORGE S. PATTON, JR.

[Mr. LODGE asked and obtained leave to have printed in the RECORD the proceedings in connection with the dedication at the United States Military Academy at West Point on August 19, 1950, of a monument to Gen. George S. Patton, Jr., which appears in the Appendix.]

OUR MILITARY SITUATION IN EUROPE—ARTICLE FROM BOSTON HERALD

[Mr. LODGE asked and obtained leave to have printed in the RECORD an article entitled "We Have Had Our Pearl Harbor, but We May Still Be Asleep," written by Edgar Ansel Mowrer, and published in the Boston Herald on August 19, 1950, which appears in the Appendix.]

NORTH AMERICAN SECURITY—ADDRESS BY GEN. A. G. L. McNAUGHTON

[Mr. WITHERS asked and obtained leave to have printed in the RECORD an address on the subject North American Security, delivered by Gen. A. G. L. McNaughton to the Canadian Manufacturers' Association in Toronto, May 25, 1950, which appears in the Appendix.]

UNIVERSAL MILITARY TRAINING—EDITORIAL COMMENT

[Mr. MARTIN asked and obtained leave to have printed in the RECORD editorials published in several Pennsylvania newspapers dealing with the subject of universal military training, which appear in the Appendix.]

THE BIG SLEEP—EDITORIAL FROM WALL STREET JOURNAL

[Mr. CAPEHART asked and obtained leave to have printed in the Record an editorial entitled "The Big Sleep," published in the Wall Street Journal August 15, 1950, which appears in the Appendix.]

OVERHAULING OF STATE DEPARTMENT NEEDED—LETTER FROM MRS. A. D. LANGE

[Mr. JENNER asked and obtained leave to have printed in the Record a letter written by Mrs. A. D. Lange, of New Augusta, Ind., published in the Indianapolis Times for August 13, 1950, which appears in the Appendix.]

CONTROL OF FLOODS ON THE CONNECTICUT RIVER

[Mr. BENTON asked and obtained leave to have printed in the Record a letter written by George C. Waldo, chairman of the Connecticut State Park and Forest Commission, proposing a plan for control of floods on the Connecticut River, which appears in the Appendix.]

APPOINTMENT OF FRANCIS S. MURPHY TO CONNECTICUT AERONAUTICS COMMISSION

[Mr. BENTON asked and obtained leave to have printed in the Record an editorial entitled "Mr. Aviation," published in a recent issue of the Bridgeport (Conn.) Post, which appears in the Appendix.]

INTELLIGENCE AS AN INSTRUMENTALITY OF NATIONAL SECURITY—SPEECH BY COL. WALTER L. FURBERSHAW

[Mr. BRIDGES asked and obtained leave to have printed in the Record a speech entitled "Intelligence as an Instrumentality of National Security in Peace and War," delivered by Col. Walter L. Furbershaw, and reprinted in the June 1949 issue of Men and Events, which appears in the Appendix.]

THIS MAY BE EXTREME—BUT!—EDITORIAL FROM THE GRANITE STATE NEWS

[Mr. BRIDGES asked and obtained leave to have printed in the Record an editorial entitled "This May Be Extreme—But!" published in the Granite State News of August 4, 1950, which appears in the Appendix.]

GOP OPPORTUNITY—EDITORIAL FROM CLEVELAND PLAIN DEALER

[Mr. BRIDGES asked and obtained leave to have printed in the Record an editorial entitled "GOP Opportunity," published in the Cleveland (Ohio) Plain Dealer of August 4, 1950, which appears in the Appendix.]

EMPLOYMENT OF THE PHYSICALLY HANDICAPPED—ADDRESS BY SECRETARY OF LABOR

[Mr. SPARKMAN asked and obtained leave to have printed in the Record an address delivered by Hon. Maurice J. Tobin, Secretary of Labor, at the National Employ the Physically Handicapped Week meeting on August 9, 1950, which appears in the Appendix.]

MONDAY QUARTERBACKS — EDITORIAL FROM THE BOSTON POST

[Mr. McMAHON asked and obtained leave to have printed in the Record an editorial entitled "Monday Quarterbacks," published in the Boston Post of August 15, 1950, which appears in the Appendix.]

LETTER BY SENATOR GREEN RECOMMENDING POSTPONEMENT OF TORQUAY TARIFF CONFERENCE

Mr. BREWSTER. Mr. President, I ask unanimous consent that I may pro-

ceed for 2 minutes in praise of the senior Senator from Rhode Island [Mr. GREEN]. I have advised the Senator I was going to make this request.

The VICE PRESIDENT. Without objection, the Senator is permitted to praise the Senator from Rhode Island for 2 minutes. [Laughter.]

Mr. BREWSTER. Mr. President, while we are in the midst of enacting legislation which will mean the end of "business as usual" in this country for perhaps many years to come, I take this opportunity to commend the distinguished senior Senator from Rhode Island [Mr. GREEN] for his very realistic action in writing a letter to Secretary of State Acheson, dated August 11, 1950, urging that the tariff negotiations scheduled to commence next month at Torquay, England, be postponed.

Mr. President, I ask unanimous consent, with the consent of the Senator from Rhode Island, that at this point his letter, dated August 11, be incorporated in the Record.

The VICE PRESIDENT. Is there objection?

There being no objection, the letter was ordered to be printed in the Record, as follows:

AUGUST 11, 1950.

The SECRETARY OF STATE,
Washington, D. C.

MY DEAR MR. SECRETARY: I am concerned about the possibility that tariff concessions may be made at the meeting to be held in Torquay, England, next September which may affect certain particular industries in our country adversely. I note in particular that several new countries have been listed to participate in the meeting and that Korea is one of these countries.

Since the conclusion of the public hearings held by the Committee for Reciprocity Information, at which time representatives of the industry presented their views regarding proposed negotiations, the Korean situation has developed, and it seems to me a survey should be made immediately relative to the postponement or cancellation of the Torquay meeting.

I fully appreciate the importance of this conference in furthering the objectives of our Government's economic and foreign policy. However, since the hearings have been completed by the Committee for Reciprocity Information developments in the international situation deem it advisable, in my opinion, to postpone the proposed negotiations.

As you know, I have been a firm supporter of legislation furthering reciprocal trade agreements and have voted consistently for legislation supporting and extending the Trade Agreements Act of 1934. I am convinced, however, that because of the unsettled world conditions it would be in the best interest, not only of the United States but of all other participating countries, that the proposed meeting be postponed until the international situation is more stable.

I would appreciate your comments on my suggestion.

Yours sincerely,

THEODORE FRANCIS GREEN.

Mr. BREWSTER. Mr. President, this action by the Senator from Rhode Island is especially significant and praiseworthy in view of his consistent support for the reciprocal-trade agreements program. It seems to me that under present world conditions this is a statesmanlike proposal which should receive the most

careful consideration of the Secretary of State.

I hope my colleagues on both sides of the aisle will agree that while our economy is in a state of complete or semi-mobilization, our home markets should not be turned over to foreign producers or manufacturers who, for the most part, will be carrying on business as usual. I urge my colleagues to make known their views to Mr. Acheson and to the President in the hope that the scheduled negotiations will be postponed until a more settled or normal period.

It is inconceivable that on the one hand we should be greatly increasing taxes, imposing priorities, allocations, and other emergency measures upon our entire economy, while on the other hand we are negotiating further tariff reductions with foreign countries.

I fully appreciate that some expense has already been incurred by our Government in connection with the Torquay conferences and that many bags are practically packed and ready to go, but I am convinced that the proposal of the Senator from Rhode Island is sound and right.

I again commend the Senator for his very realistic attitude as evidenced by his letter. If, Mr. President, we are to follow a bipartisan foreign policy, then I submit that the Senator's request for a postponement should be granted as a tangible indication that such a bipartisan policy is a two-way street and not a one-way street.

In line with the proposal of the Senator from Rhode Island, I call attention also to the resolution of the executive committee of the National Labor Management Council on Foreign Trade Policy, representing the membership of thousands of members of over 15 national labor unions and the industries vitally affected, urging the postponement of the Torquay conference until the present international crisis has passed.

I ask unanimous consent that this report of the National Labor Management Council on Foreign Trade Policy be incorporated in the Record at this point in my remarks.

There being no objection, the report was ordered to be printed in the Record, as follows:

REPORT OF THE CHAIRMAN, ADOPTED UNANIMOUSLY BY THE EXECUTIVE COMMITTEE OF THE NATIONAL LABOR-MANAGEMENT COUNCIL ON FOREIGN TRADE POLICY, AUGUST 15, 1950

The outbreak of hostilities in Korea on June 25 of this year precipitated far-reaching measures of political and military action, and set in motion economic changes the full magnitude and effects of which are not yet visible.

The national and international economic implications of our military preparation and defense effort can at this time only be perceived in dim and tentative outlines. No one can foresee the extent of military operations necessary for the attainment of our objectives and no one can know how far we must go in order to fulfill our international political commitments and responsibilities.

Great changes in the course of international trade are implicit in the program that has already been launched in response to the Korean crisis. Already the dollar-gap question has lost its urgency as one of the great problems facing the world. Quite

conceivably the trade-balance of the United States may be reversed in the course of the next few years. In any case, it is not known to what extent and in exactly what quarters our imports and exports will be affected.

As a step toward elimination of the dollar-gap and for other purposes, the Department of State some months before the Korean outbreak announced the opening of multilateral negotiations on September 28, 1950, in Torquay, England, to carry out a third round of tariff reductions under the General Agreement on Tariffs and Trade.

To that end public hearings were held during May on a long list of items which were to be considered for concessions. Hundreds of witnesses, speaking for the many and various industries and groups affected, appeared at these hearings to protest any further duty reductions at this time. The effects of previous concessions, particularly those made in Geneva in 1947, had only begun during the past year to make themselves felt. The war-torn countries were regaining their productive powers and the period of postwar shortages in this country had reached its end in many lines of production.

This combination of imports and growing surpluses within this country bade fair a year ago to precipitate a dangerous recession. The problem of deflation and of unemployment loomed with a growing menace on the horizon. Yet, quite definitely the total potential impact of previous duty reductions upon the domestic economy had not yet delivered its total force when another round of trade agreements was announced.

Now, between the preparations for the Torquay Conference and its actual assemblage, has arisen this overriding emergency, neither the end nor consequences of which are yet clearly visible. Once more normal international trade will be disrupted. Once more our domestic economy will be subject to controls. Many peacetime projects are being abandoned and others will undoubtedly be set aside. The public has given early evidence of its readiness to abandon "business as usual," all to the end that we may be most effective in meeting our national and international responsibilities.

This council has no desire to raise above first consideration of our country any question that is and should be subordinate thereto. We have felt constrained because of the troubled international conditions now prevailing to withhold various representations and to subordinate our interests to national considerations. The State Department should under present circumstances relinquish its own pursuits in a field where, because of vastly changed conditions in course, it has no possible way of measuring the most probable peacetime consequences of its action.

It will be recalled that this council was formed only a few months ago in response to widespread alarm felt over the course of foreign competition in this country. The council does not now, and did not in the beginning, object to imports if they are placed on competitive parity in this country. It is fully cognizant of, and recognizes the functions of imports in our economy. This country needs imports; it needs them in large volume; but it is not necessary that such imports should disrupt our wage standards, our employment, and our price structure in a buyer's market. It is neither necessary nor desirable that the smaller miscellaneous industries in this country be put in jeopardy as a means of maintaining an abnormal level of exports.

Convening of a tariff-cutting conference under the present circumstances cannot be justified on any ground other than the theoretical one that tariff reduction is of itself and quite exclusive of other considerations, a desirable consummation. Business is not as usual today in the United States, and it is unreasonable to treat our inter-

national trade as being as usual under such conditions. Postponement of the Torquay Conference until the present international crisis has passed would permit future consideration of the tariff at a time when more sound and accurate estimates could be made of the wisdom of particular concessions. The full time and energies of the State Department should be devoted at this time to a solution of the international emergency.

This council should urge the President of the United States to bring about a postponement of the Torquay Conference. It is not likely that adverse international repercussions would ensue since such action would conform closely with the dictates of universal common sense.

Respectfully submitted.

O. R. STRACKBEIN,
Chairman.

PLANNING FOR KOREA—EDITORIAL FROM THE NEW YORK TIMES

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD as a part of my remarks an editorial entitled "Planning for Korea," published in the New York Times of this morning, in which it is pointed out that the suggestion for a trusteeship in Korea is ill-timed, inasmuch as there already exists a government of the Republic of Korea established under United Nations auspices.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PLANNING FOR KOREA

The discussion of Korea's future is necessary and timely. There are certain obvious obligations that the United Nations must assume, and it will serve a good purpose if they are clearly understood and clearly stated. Manifestly, if the United Nations is ready, by force of arms, to defend the freedom of Korea against the present assault, it must also be ready and willing to guarantee the security of the republic against other such assaults in the future. Likewise, there will be a massive job of relief and rehabilitation to be done, and this should properly be a United Nations project.

On the political side the United Nations is already fully committed to the establishment of a freely elected government for all of a united, independent and democratic Korea. Such a government has already been set up, under United Nations observation, in as much of Korea as could be entered by United Nations representatives. That government has been recognized as the lawful government of Korea by the United Nations, and the only lawful government. The Korean Republic, moreover, has reserved seats in its freely elected legislative bodies for the representatives of districts in which the observed elections were not allowed.

As Ambassador Chang pointed out yesterday, the objective of the Korean people is no more than the restoration of the independence that they enjoyed for 4,000 years before they were overrun by the Japanese. The Korean people and all the United Nations except the Soviet bloc have, therefore, the same objective, the rebuilding of a free, unified state. Fortunately, the political framework for that state has already been laid, and the United Nations will, quite naturally, wish to sustain what came into existence under its own clear auspices.

Under those conditions it is unfortunate that the word "trusteeship" has been allowed to come back into the Korean discussions, if only in a limited application. It has a bad connotation in this case and should be avoided. At the time of the liberation of Korea from the Japanese it was tentatively proposed that there might be an interim "trusteeship" until a democratic

government could be set up. All the major political groups in Korea immediately voiced objection, declaring that they wanted an independent democracy at the earliest possible moment. The one group that did not so declare was the Korean Communists.

The Soviet Union thereupon made this the rock on which to wreck the negotiations for a unified Korea. The Russians insisted that no Koreans should be consulted about the establishment of a government who had ever expressed their opposition to "trusteeship." This meant, of course, that no Koreans should be heard except Korean Communists. Thus the word "trusteeship" has the connotation of disunity for the Koreans.

Even more important, a fully independent government has already been set up in Korea and recognized by the United Nations. To the Koreans, quite naturally, any idea of a "trusteeship" at this stage would certainly suggest a backward political step—and a long one.

The United Nations will have to assume large responsibilities in Korea. It is important that they be assumed under terms that are satisfactory to the Koreans and that are explicit to other peoples in Asia.

COPPER—A SYMBOL

Mr. MALONE. Mr. President, the brass fabricating companies currently fronting for free trade on raw copper, which constitutes their major raw material, are also insisting that the 15 to 65 percent ad valorem tariff on their own brass fabricated products is necessary for them to pay American wages and stay in business.

These same companies may be seriously jeopardizing their very existence by attacking the principle upon which their own business structure depends.

VENTURE CAPITAL VERSUS FREE TRADE

On July 27, the junior Senator from Nevada made a statement before the Senate Finance Committee covering the whole field of free trade versus the tariff or import-fee principle in the development of foreign trade, and demonstrated at that time that copper was only a symbol and that almost every other American business is in exactly the same situation—it is only a matter of degree.

On August 8, a summary of the statement appears in the CONGRESSIONAL RECORD.

The whole principle of free trade stems back to the State Department's "one economic world" program under the 1934 Trade Agreements Act—through which the Congress of the United States transferred its constitutional responsibility to regulate foreign trade to the industrially inexperienced executive branch of the Government.

WRECK NATIONAL ECONOMY UNDER COVER OF WAR

The State Department is even now planning to complete the job of wrecking the national economy of this Nation under cover of war—through the international conference at Torquay, England, where the tariffs and import fees on several thousand American products will be further lowered without regard to the differential of cost of production between this Nation and in the competitive countries, due mostly to the difference in the wage living standards.

AMERICAN WORKER VERSUS SWEATSHOP LABOR

It will complete the removal of the floor under wages and investments—and put American workers in direct competi-

tion with the sweatshop labor of Europe and Asia.

SENATE FINANCE COMMITTEE Tabled FREE-TRADE PROPOSAL

On July 31 the Senate Finance Committee tabled House Joint Resolution 502, calling for the extension of free trade on copper.

It has been amply shown that the tariff is not paid by the Government, and in the case of a company manufacturing material containing copper for Government consumption, the tariff or import fee is paid to the Government in the first instance and then charged back to it when the processed material is delivered; it is simply a bookkeeping arrangement.

It has also been amply shown that the only decrease in foreign imports possible by virtue of the tariff is the increased domestic production through the tariff protection of venture capital—and that such increase in production is a national security safeguard.

Mr. President, I ask unanimous consent to insert in the RECORD at this point a letter addressed to Senator BUTLER, Nebraska, by Mr. George Adams Ellis, chairman of the board of the Vermont Copper Co., Inc., together with my answer to the letter. Mr. Ellis's type of operation is the hope of the future copper supply of this Nation, its national security.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

VERMONT COPPER CO., INC.,
Bennington, Vt., August 12, 1950.

HON. HUGH BUTLER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR BUTLER: Your vote in favor of the restoration of the copper tariff is most encouraging to those like myself who, at the instigation of the Government, have opened up old, abandoned mines and are trying to develop them in the national interest. These old Vermont mines were first opened in 1793 and saw their heyday between 1870 and 1880, before the very rich Michigan and Montana ores were fully developed.

In 1942, with the acute copper shortage, I was urged, and in fact begged, by Government officials to take the lead in opening up these old mines, although I had no interest whatsoever in them. The result was that I secured a million and a half of private moneys. And \$550,000 from the Government, and later another \$150,000, all of which has been paid back with interest.

The Bureau of Mines and all impartial engineers who have studied the situation agree that it is very important, in the public interest, to develop an eastern copper mining district and fully to explore the 15-mile copper zone practically all of which is now owned by this company.

This company is privately owned by a few individuals and has had no contact with any of the big copper interests. We are producing at the rate of about 8,000,000 pounds of copper a year from the Elizabeth mine at the southerly end of this copper zone but have done nothing to open up the old Ely mine 6 miles farther north, nor the Union and Eureka mines still farther north; nor has but little work been done on exploration of the intervening area which the geologists claim must contain additional copper-bearing ore.

I have had some relations with various phases of the copper industry for the past 25 years and practically wrote the copper code under the NRA for General Johnson.

In my opinion the labor differential between foreign and domestic copper is very much more than the proposed 2-cent tariff and probably averages over 4 cents. It is a fact that at the present time the 2-cent tariff will not have the slightest effect on the price of copper in this country; nor will it affect by 1 pound the amount of copper that comes into the country. According to my information the great Chilean copper mines will give up about 1 cent less to the Chilean Government, or perhaps 4 cents instead of 5 cents, and Kennecott and Anaconda—who own the principal Chilean mines—will receive 1 cent less profit, or perhaps 7 cents instead of 8 cents. I cannot vouch for these exact figures, but they bear some approximation to the actual figures and the principle at least is correct.

However free copper as a permanent policy eventually will close up every smaller mine in this country and, in the long run, will be the death knell of the American copper industry.

I am very happy to see that there is a substantial group of Senators who have not been taken in by the specious arguments in favor of free copper.

Very truly yours,

GEORGE ADAMS ELLIS.

AUGUST 21, 1950.

Mr. GEORGE ADAMS ELLIS,
Chairman of the Board,
Vermont Copper Co., Inc.,
Bennington, Vt.

DEAR MR. ELLIS: My good friend, HUGH BUTLER, who is, in my opinion, one of the soundest men on the Senate floor, has referred your letter of August 12 to me since I have led the fight against the whole free trade theory, the "one economic world" that the State Department has been slowly bringing about under the 1934 Trade Agreements Act.

I am, of course, intensely interested in the principle as applied to copper although copper is merely a symbol as I emphasized in my statement before the Senate Finance Committee, copy of which I am enclosing.

You are exactly right—two cents tariff is not sufficient—but the principle is important and I stood on the Senate floor for 5 hours in September 1949 trying to substitute the flexible import fee principle in place of the extension of the 1934 Trade Agreements Act. This argument was made on September 12 and 15, 1949, and if you have the CONGRESSIONAL RECORDS for those dates I would appreciate your reading them. Also, on August 8, 1950, I summarized my arguments on the copper question and inserted it in the RECORD on that date.

There is no question in my mind but what the administration or someone advising the administration is out to wreck the economic structure of this country through the free trade principle. In that connection I am enclosing a copy of the debate on the Senate floor, May 27 and 31, 1949. It also contains the bill and I would be very happy if you would review my statement before the committee and also my suggestion of substituting the flexible import fee principle for the 1934 Trade Agreements Act and write me, in some detail, a critical, constructive letter together with your suggestions.

Your statement as an operating engineer is very interesting to me. They say I am the only practicing engineer who was ever elected to the United States Senate and I find it very hard sometimes to rationalize what we do. We say we have certain objectives but often our procedures defeat these objectives.

Everyone admits that we need an adequate stockpile of strategic minerals and materials and a going-concern mining industry to fight a war, as I said in my statement before the Senate Finance Committee—under the administration's free-trade program, we have neither.

I intend to use your letter on the Senate floor and hope you will furnish me other materials because your kind of mining and development is the kind we must encourage—as well as other fields of business.

Due, I think, in a large measure to my testimony, the Senate Finance Committee voted 9 to 4 to table the proposed extension of the free trade on copper, but the proponents of such legislation insist they are going to bring it to the Senate floor as an amendment to the scrap-copper bill which would admit free of any duty the scrap copper throughout the world, mostly World War II American scrap. To that I am not objecting, but if they attempt to tie the extension of the free trade on copper ore to it, when it comes to the Senate floor I intend to debate it at some length.

We need men like you to make their position clear to their own Senators.

I shall look forward to hearing from you again.

Sincerely,

GEORGE W. MALONE.

RELEASE FROM OFFICE OF SENATOR MALONE

Mr. MALONE. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point a release from my office on the subject, dated today, clarifying the real issue of free trade against venture capital investment, the administration scheme of Government financing as against private investors, and the national security of this Nation.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

STATEMENT OF UNITED STATES SENATOR GEORGE W. MALONE (REPUBLICAN, OF NEVADA), ANSWERING ATTACK ON COPPER TARIFF

A statement has just been issued by a brass fabricating company which presents a distorted viewpoint of the copper tariff question. The statement, which involves a far-reaching principle, is particularly dangerous for the reason that it would appear to the unwary to be objective. As a matter of fact, it is biased in favor of a very small segment of industry to the detriment of the American industry as a whole, and offers a threat to American workers and investors.

A listing of the facts in this matter gives an entirely different picture from that conveyed by the brass fabricator. The facts are:

1. Three large copper corporations control 75 percent to 80 percent of all brass fabrication production. It is an integrated business.

2. Two of these corporations control the copper mining in Chile, from which country we receive most of our imported copper.

3. The brass fabricating company which issued the statement in question has an interlocking directorate with one of these corporations, and is the mouthpiece for them in this instance.

4. Brass fabricators want free trade on the copper products they must buy, while demanding 15 to 65 percent ad valorem tariff on brass fabricated products which they sell. They are right in demanding a tariff on what they sell, to protect their employees and investors against foreign slave-labor products, but are inconsistent in demanding tariffs on the products they make and free trade on the material they buy. Their selfish position is understandable but not defensible. There never was a consistent free trader.

5. The claim that free trade on copper is a war measure is entirely wrong. A tariff, or import fee, representing the differential between American wages and standard of living and those of foreign countries, does not retard imports, but instead brings them in on a basis equitable with our own wages and standard of living.

6. As a matter of fact, a tariff with special reference to strategic minerals, which includes copper, is a national security measure. An enemy submarine could make valueless the two copper-mining projects in Chile, as all production there is on the coast. In World War II enemy submarines stopped the shipping into America of 70 to 90 percent of all strategic metals for a considerable time. In the present emergency we could be thrown on our own production. Therefore, our mining industry here should be built up to its maximum strength. Mining cannot be expanded on a moment's notice. To keep closed mines in a stand-by condition is very expensive and frequently impossible. Exploration and development must go on all the time. This can be done only with venture capital, and venture capital will not go in where there is no protection; under a free trade policy, capital would be destroyed when the emergency is over. Free trade is a constant threat to all investments, while, on the other hand, tariff produces venture capital and protects the American workers, and thus builds up industry. A tariff, then, is a national security measure.

Any fabricating company which now advances a lopsided argument for free trade on what it must buy, while asking for a tariff on what it must sell, is attacking, indirectly but nonetheless destructively, the American standard of living, for free trade removes the floor under wages and investments, and such a campaign for free trade offers a threat to our national security.

The principle involved in the copper tariff is the same principle which affects practically all imports, and consequently the whole American economy.

Mr. MALONE. Mr. President, copper is merely a symbol in the fight to destroy the workingmen and investors in this country.

Textiles, petroleum, precision instruments, lumber and wood products, zinc, lead, mercury, tungsten, crockery, watches, agricultural products, and many other American products are in exactly the same position—it is only a matter of degree.

Mr. President, I wish to say that the tariff principle, as it affects the copper industry—and copper is only an example—affects every other industry in the United States of America.

ACCOMPLISHMENT OF AMERICAN NEGRO TROOPS IN KOREA

Mr. O'CONOR. Mr. President, among the many tales of valor by American troops in Korea, it is most gratifying to learn that the American Negro troops not only are carrying their share of the burden but are doing it particularly well.

An Associated Press news dispatch appearing in the Baltimore Sunday Sun of yesterday gives an interesting account of the accomplishments of these American Negro troops and of the resultant splendid psychological effect throughout the world.

This latter point is one that deserves the utmost consideration, because the Communists have attempted, with small success, it may be noted, to use the racial-discrimination and dissension charge against the United States to win converts to its cause.

I ask unanimous consent that the article from the Baltimore Sunday Sun be inserted in the CONGRESSIONAL RECORD along with my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEGRO TROOPS HELP REBUT PROPAGANDA—SERVICE IN KOREA IS REPLY TO "WHITE MAN'S WAR" CLAIM

WASHINGTON, August 19.—American Negro troops fighting under the United Nations flag in Korea are helping to win more than strategic hilltops in the struggle with communism.

In the opinion of Washington psychological warfare experts they are also helping to win the battle against Communist propaganda. They are dramatic proof that the war to smash Red aggression in Korea is not a white man's war.

This is an extremely important point for the non-Communist alliance, and one which will shortly be bolstered by the addition to United Nations field forces of native Asian troops. The Philippines are sending 5,000 men and Thailand 4,000.

NON-COMMUNIST SPLIT IS AIM

To understand why these forces are so important aside from the additional military strength they furnish, it is necessary to take a look at the aims and methods of Communist propaganda as it is now being laid down in a steady barrage from Moscow, Peking (Red China), and Pyongyang (Red Korea).

The major aim of this propaganda is to split the non-Communist world and particularly to split off the nations of Asia from the Western powers.

In striving for this objective the Communists have used two major weapons—(1) the claim that the United Nations forces in Korea are really the tools of Yankee imperialism, and (2) the arguments of racism; that is, that the white man's guns and bombs are once more slaughtering the people of Asia in a drive for new colonial oppressions.

ESTABLISHED SOVIET METHOD

Broadly, therefore, the Communists are trying to draw a color line in the struggle. This is a timely application of an established Soviet method of attack on the United States that goes back far beyond the beginning of the Korean war.

Even during World War II, when Moscow-Washington relations were at their best, there was a story in the Russian capital that dramatized the point.

An American visitor was on a guided tour through one of the Soviet aircraft factories. He was shown first the manufacture of airframes and engines, then taken through an assembly section and finally escorted to an enclosure where finished planes were lined up. Though the Russian guide said they were complete they had no propellers.

The American pointed this out and asked, "Where are the propellers?"

HARP ON "NEGRO PROBLEM"

"Oh, yes," said the Russian, "and what about the Negro problem in the United States?"

The Russians have always harped on the "Negro problem" when they wanted to cover their own confusion or shortcomings, when they hoped to drive a wedge among the people in this country or when they wanted to draw a color line unfavorable to the United States abroad.

This has recently cropped up in their intensified world-wide campaign centering around the Korean crisis, according to State Department informants.

The Department has adopted a policy covering its counter-propaganda. That is simply to tell the truth about Negroes in the United States, but to be sure it is the whole truth, and to emphasize their political, social, and economic advances in a country where, unlike Russia, there is opportunity for members of minority groups to take independent action in their own self-interest.

EMPHASIZED BY "VOICE"

The participation of Negroes in American international enterprises is considered one of the most effective ways of meeting the Soviet attacks. Hence the "Voice of America," one of the main instruments of American propaganda abroad, is paying special attention to the achievements of the Negro Twenty-fourth Infantry Regiment in Korea.

It can also be expected to spotlight the impending appointment of Mrs. Edith Sampson, Chicago Negro lawyer, as a member of the United States delegation to the United Nations—just as it once played up the outstanding record of Ralph Bunche, Negro diplomat, when he served as United Nations mediator in Palestine.

BACKED IN POLITICAL FIELD

The final answer to Russian charges that Americans are slaughtering Asiatics in a new outburst of Yankee imperialism, of course, is the support which non-Communist Asiatic states themselves give to the United Nations fight in Korea.

In the political field this support has been extensive. India has joined the United Nations Security Council majority in branding the North Korean Communists as the aggressors.

But in the military field American troops have been carrying the weight of ground combat and this has been an undeniable handicap propagandawise. This situation will shortly come to an end when Filipino and Thai soldiers, as well as 4,500 Turkish officers and men and units from Britain, New Zealand, and Australia, move to the battle-front.

The international character of the United Nations Army, as reflected in daily war reports, will then become clear. It will be the answer to Communist propaganda.

THE LEGISLATIVE PROGRAM

Mr. LUCAS. Mr. President, the Members on the Democratic side of the aisle held a conference this morning with respect to the program we feel is necessary to accomplish before the question of a recess can be considered. Obviously we will continue with the defense production bill, S. 3936, under the unanimous-consent agreement, and vote on it at 1 o'clock today.

Following that, under the unanimous-consent agreement which was entered into while I was away last week, the Senate will proceed to vote on the highway bill, H. R. 7941, tomorrow.

Following the disposition of the highway bill we will then proceed to the consideration of what is known as the family allowance bill, Senate bill 4071, reported a few moments ago by the senior Senator from Maryland [Mr. TYDINGS].

The able Senator from Georgia [Mr. GEORGE], who is chairman of the Finance Committee, advised the conference this morning that the tax bill, H. R. 8920, will be ready for consideration on Wednesday of this week. We will proceed to the consideration of the tax bill following the disposition of the family allowance bill.

Following that we will then proceed to take up the McCarran anti-Communist bill, Senate bill 4937, at which time all the different phases of the internal security question, as represented by the various bills now pending on the calendar, can be discussed pro and con and disposed of.

That is the program, Mr. President, I desire to announce. That is the program which has been agreed upon by the

conference of the Democrats this morning. I thought I should make the announcement to the Senate and the country.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. Does the majority leader feel that when the bills to which he has referred have been disposed of that will complete the contemplated program, and that a recess will be in order, or will there be a further announcement later, after the work outlined has been concluded, which might extend the session?

Mr. LUCAS. In reply to the Senator from Nebraska, I should add to my statement that in discussing the situation with the Senator from Tennessee [Mr. McKellar], the chairman of the Appropriations Committee, in the conference this morning, he advised me that he thought probably within a very short while the conferees would be able to agree upon the omnibus appropriation bill, and to submit a report. Of course if they do not, how soon we may reach a recess will depend in great measure upon how fast the conference reports are returned to the Senate and upon how fast they are agreed to by both the Senate and the House.

Mr. WHERRY. Mr. President, will the Senator yield for a further question?

Mr. LUCAS. I yield.

Mr. WHERRY. In the event that the appropriation bill conference report is acted upon expeditiously when the so-called internal security proposed legislation is completed, would it then be the intention of the Senator from Illinois to have the Senate take a recess, rather than to take up other proposed legislation?

Mr. LUCAS. The Senator's conclusion is correct. However, if we remain here, a number of other bills can be considered. I am still interested in the bills providing statehood for Alaska and for Hawaii, and in other measures; but Senators on our side of the aisle—and I think the feeling is mutual throughout the Senate—feel that we should reach a conclusion of the session as soon as possible, when we are able to dispose of the measures which involve the security and the defense of the United States.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. KNOWLAND. I should like to ask a question of the able majority leader. In the list of measures he mentioned, unless I missed it, he omitted the bill for additional aid in connection with the arms implementation. I wonder if that was an oversight or whether the Senator has included that bill as a part of the urgent legislation.

Mr. LUCAS. No; it is my understanding that that matter will come up by means of a deficiency appropriation. There will not be any question about it; it obviously is included. Any measures which involve the defense of the country, growing out of the Korean situation, obviously will be included.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. LUCAS. I yield.

Mr. WHERRY. Of course the distinguished majority leader also meant to include, in listing the conference report on the appropriation bill and other measures, the additional appropriations, such as supplemental and deficiency appropriations; did he not?

Mr. LUCAS. That is correct.

Mr. WHERRY. They might take a little more time, of course.

I appreciate very much the announcement the Senator from Illinois has made. I understand now that if the conference reports on all appropriations bills are concluded by the time action on the so-called McCarran internal security bill has been concluded one way or the other, unless something else of like nature comes up, it is the intention of the distinguished majority leader to have the Senate take a recess or an adjournment then.

Mr. LUCAS. The Senator's understanding is correct.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. HOLLAND. I should like to ask the majority leader whether it was understood this morning in the discussion at the Democratic conference, upon report by the Senator from Maryland [Mr. Tydings], that the family allowance bill was coming out of the Armed Services Committee with a unanimous report by the committee, and that it was felt that very little debate would be required or very little time would be consumed in the disposition of that measure?

Mr. LUCAS. That is the substance of the statement which was made in the conference this morning by the Senator from Maryland.

Mr. HOLLAND. I thank the Senator.

I should like to ask further if this is the case: That the action taken by the Democratic conference this morning was not designed to state the full agenda of measures to be taken up between now and the recess, but rather, to fix the order of priority in such a way as to give to Senators on both sides of the aisle complete assurance that at a very early date, subject only to the disposition of the family allowance bill and of the revenue measure, both of which were regarded as "musts" in connection with the defense program, a definite and certain setting might be counted upon for disposal of either the McCarran bill or the so-called Mundt-Ferguson-Johnston bill, or some other measure deemed by the Senate to be acceptable, dealing with the control of Communists and Communist-front organizations in the domestic area of the United States?

Mr. LUCAS. That is what I tried to make plain to the Senate a while ago. The Senator from Florida has reiterated the position taken by the conference this morning.

Mr. HOLLAND. To make the matter doubly clear, I wish to say that it was at least my understanding that it was not the effort of the caucus this morning to state an all-inclusive agenda by any means, but simply to give positive assurance to the country and to Senators on both sides of the aisle who do want a strong antisubversive and anti-Communist measure enacted, that such a

measure would be taken up at an early date, subject only to the priorities just mentioned—which, at least to me, seemed to be reasonable priorities—so that when that Communist control or antisubversive measure came up as a proposed amendment to the control bill, to be considered today, Senators might have definite assurance of early and certain consideration of the proposed anti-subversive legislation.

I thank the Senator.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. McCARRAN. I would suggest that perhaps the majority leader clarify his statement. As I understood it, if the tax bill is not ready to be presented to the Senate, then the bill (S. 4037) to protect the internal security of the United States, and for other purposes, is to come up.

Mr. LUCAS. I think that is correct; and that was the discussion and more or less the agreement this morning.

However, in talking to the Senator from Georgia since that time, he advises me that he is positive that the tax bill will be ready by Wednesday of this week.

Mr. President, I do not wish the statement of the Senator from Florida to contradict what I said a moment ago. There might be a small bill here and there, which is not highly controversial, which could be taken up. However, so far as I am concerned, I am not willing to have considered bills which I know will take a week or 2 weeks to debate. That is what I have referred to. There may be some minor bills which are important to the national defense—the Senator from New York spoke to me about one a moment ago; and there may be others—which would take only a short time to dispose of; and in such case, we shall consider them.

I wish to state that the Senate will remain in session today until we finish all the amendments to the control bill, even if that means running into a night session.

Mr. HUNT. Mr. President, will the majority floor leader yield to me?

Mr. LUCAS. I yield to the Senator from Wyoming.

Mr. HUNT. I should like to remind the majority floor leader of a bill, to be reported tomorrow, making it possible for the Military Establishment to draft physicians and dentists. There is an extreme shortage of physicians in the Air Force today; the Air Force is losing physicians more rapidly than they are being obtained.

So I hope the majority floor leader will find a time for the consideration of that measure.

Mr. LUCAS. I thank the Senator from Wyoming, and I assure him that, of course, a measure of that kind will be given consideration.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MAYBANK. The majority leader said the Senate would remain in session tonight until we finish the amendments. I assume that he means until we finish the entire bill.

Mr. LUCAS. Yes; both the amendments and the bill.

DEVELOPMENT OF VOICE OF AMERICA

Mr. BENTON. Mr. President, last week, when I was in Connecticut, 28 Senators asked President Truman to open, by a great expansion of United States propaganda facilities, a psychological and spiritual offensive against the Kremlin.

Of course, I welcome this letter and I congratulate the 27 Senators who joined with the Senator from Vermont [Mr. FLANDERS] in signing it. However, there is in the letter what I would call a lopsided quality which I wish to point out to the Senate. In one sense, I think the letter illustrates a common fallacy under which we in the United States labor, a fallacy that we in the United States can, by some method—perhaps by some easy or quick method—reach and influence the minds of the Russian people. I now quote a paragraph from the letter:

Let us explain to the Russians the grim necessity of the western world for arming ourselves when we have seen their rulers sweep over nation after nation, destroying their freedom and enslaving their peoples—

And so forth. Further:

We need the message to be continuously and indefinitely reiterated—

To the Russian people.

Mr. President, I think we should recognize that this effort, so far as the Russian people are concerned, is a very long-term and an exceedingly difficult one, as is illustrated by the jamming by the Russians of our radio broadcasts.

I shall go further and say that if we in the United States were exceedingly successful in reaching and influencing the Russian people today, in our very success there might be an element of danger for the people of the United States. The Russian rulers, like all rulers all through history, would vastly prefer a foreign war to a civil or domestic war. The success of our efforts in stirring up the Russian people today to the kind of revolt which we may perhaps hope is ultimately indicated within that country and by that great people could invite their autocratic rulers who have complete control of the Russian armies into open assault against western Europe.

I suggest to the Senate that the urgent and immediate problem today is not the hard core of Russia. The real problem is on the outside, and we should be working from the outside inward, instead of from the inside outward. Let us start with the free peoples of the world themselves. We now have an example in South Korea. A recent poll in South Korea showed that one-third of the South Koreans thought that they indeed did attack the North Koreans. Here we see the power of the big lie as reiterated in the Soviet propaganda. We have plenty of evidence of the need with the French people.

We have evidence yesterday in the New York Times, an extraordinary report from New Delhi, headed "Battle of propaganda," by Mr. Robert Trumbull, re-

porting the need for a psychological peace offensive with the Indian people. Mr. Trumbull writes:

Korea's hot war has its counterpart in the Asian battle of propaganda. Like our troops in Korea, Americans fighting the propaganda war have an uphill task and need more manpower and heavier equipment to halt the enemy's offensive.

Mr. Trumbull's report states later:

The United States Information Service, principal medium for disseminating the American point of view abroad, does not lack either ability or energy.

Mr. President, I will say parenthetically that the letter to the President to which I have referred rather unjustly criticized the United States Information Service. Mr. Trumbull says:

What it does lack is funds to hire personnel and buy material required for more effective programs.

I ask unanimous consent to insert Mr. Trumbull's report in its entirety in the RECORD at this point in my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

BATTLE OF PROPAGANDA: REPORTS FROM TWO POSTS IN ASIA—NATIVE COMMUNISTS, SPREADING IDEAS THAT REACH THEM FROM MOSCOW, HOLD A GREAT ADVANTAGE OVER THE UNITED STATES—SOVIET HAS INDIA'S EAR
(By Robert Trumbull)

NEW DELHI, August 19.—Korea's hot war has its counterpart in the Asian battle of propaganda. Like our troops in Korea, Americans fighting the propaganda war have an uphill task and need more manpower and heavier equipment to halt the enemy's offensive.

Russian propaganda, coupled with the existing anti-American feeling, is of undoubted effectiveness in India. The Russians' task is easy because so many Asians have always resented "enslavement by a foreign power." Russians are able to play upon this emotion to such an extent that today's creeping enslavement by Moscow is largely overlooked.

The United States Information Service, principal medium for disseminating the American point of view abroad, does not lack either ability or energy. What it does lack is funds to hire personnel and buy material required for more effective programs.

MILLIONS OF PARTISANS

It is not any reflection upon the United States Information Service to say that Soviet propagandists are enjoying considerable success with a less elaborate organization. In India, for instance, there are now nearly 100,000 card-carrying Communists and millions of fellow travelers. Each one is an unpaid propagandist for Russia. The United States can hardly hope to raise such an active force of partisans.

It is only reasonable to suppose that widespread Indian opposition to Prime Minister Nehru's support of the United Nations in Korea has been sharpened if not created by Soviet propaganda. Although the Indian Parliament is on record as having unanimously approved Nehru's actions regarding Korea, this is most misleading. Close observers of Parliament feel that had a free vote been taken without the stern exercise of Congress party discipline, Nehru would have had little more than a 50-50 chance of winning.

When the Russians trumpet that the United States is the real aggressor in Korea, they are only saying what the passionately antiwestern Asians are too willing to believe.

RUSSIANS WELL AHEAD

Nehru's policy of friendship for Communist China and opposition to Bao Dai in Indochina—if not open support for the Communist Ho Chi-minh there—is of real help to Soviet propagandists while his condemnation of Communist Party tactics in India and southeast Asia does a minimum of harm to the Soviet's major objectives on this continent.

On the whole, therefore, it can be estimated that Soviet propaganda is gaining ground in the number of new voices speaking up against United States policy. United States propaganda is also gaining, but so far the Russians are well ahead.

Very few of India's 400,000 radio sets—one for every 8 persons—are ever tuned in on the Voice of America. It is not because listeners don't want to hear the American broadcasts. The fact is quite to the contrary. Indians are anxious to hear both sides, but so far as radio propaganda is concerned, the Soviet Union and its satellites have a virtual monopoly on the Indian air waves.

This situation exists simply because the Voice of America has no transmitter near enough or with a sufficiently powerful beam to be heard at favorable hours, whereas the powerful Russian stations can be received with moderately priced sets virtually around the clock. The Voice of America is heard best in India late at night when few persons are listening in this early-rising country.

Also, the Voice of America's wave length is so close to that of All-India Radio, the Soviet stations and the big transmitter in Ceylon, that it suffers constant interference aside from Soviet jamming.

LOSING BY DEFAULT

So we are letting the radio war go by default. If it is not possible to build a transmitter sufficiently close, or to penetrate the wall of interference, the next best proposition is to purchase time on Radio Ceylon, which is heard clearly in this whole area. This is under consideration.

The friendliness of Indian newspapers needs to be cultivated by personal contact with editors. Without more of this, most of the voluminous press material supplied by the USIS meets the usual fate of hand-outs that are heaped on every editor's desk. They go into the waste basket.

The USIS is now mailing American news bulletins to many media, and it is hoped to improve this service when a new budget permits expansion of the staff. Lack of personnel, which means lack of money, prevents the USIS from doing many things that might be done to win the propaganda war.

Recently the USIS distributed 20,000 copies of the American white paper on Korea and saw that one was handed to every member of Parliament before the Indian legislative body held its debate on Korea.

LITERATURE TOO EXPENSIVE

USIS libraries in the major cities are popular, but American literature is scarce on the bookstalls while Soviet books and pamphlets are plentiful everywhere. The Communists charge for all their reading matter, although only a few cents. This seems to make it more valuable than the free American material. Conversely, commercially published American literature is far too expensive for the average Indian.

An effective means of putting across the American point of view is now being exploited here—the exchange program financed under the Fulbright and Smith-Mundt Acts. Indian editors, scholars and others sent to the United States under the various categories of this program usually return here impressed and friendly. Journalists and speakers who have personally

experienced the American way of life are often powerful vehicles—of their own accord—for spreading our point of view.

We suffer another disability in this propaganda war that the Russians do not. Indians do not like to feel that they are being propagandized. Therefore, American operations in this field are suspect and sometimes have an effect opposite to the one intended. But somehow the Russians get away with it. Probably that is due partly to innate leftist tendencies in the Asians. Closely related to this is an underprivileged people's resentment of American prosperity. Our demonstration of the benefits of free enterprise must be handled with extreme tact.

What is needed to deal more effectively with the Communist propaganda legions here is to make America's story available to more people through radio and inexpensive literature, which should be made plentiful everywhere in the local languages.

Mr. BENTON. Mr. President, starting with the free nations, to which we have reasonable access—and in the free nations all it takes is manpower, leadership, money, and ideas—we should then work through into the peripheral countries, the satellite countries where we have a major chance today to capitalize on those elements which still look toward the West and which are eager for our encouragement and leadership.

I should again like to ask my colleagues in the Senate why, with the evidence piling up all around us, we have been so slow to move in this field? I should like to read from the New York Times of yesterday, from its admirable survey of the news of the week and of the arguments for universal military training. The Times summarized the arguments as follows:

Universal military training is necessary to build up a permanent reservoir of trained men against a national emergency. It should be enacted right away, mainly for psychological reasons. In the first place it will impress Russia with the seriousness of America's determination to mobilize. In the second place it will impress the American people with the fact that national security is a universal concern and that the burdens should be shared fairly.

Mr. President, universal military training—at a cost of, perhaps \$1,000,000,000 a year, or even \$1,500,000,000 a year, and not only a monetary cost, but the tearing of our boys away from their homes, from their schools, from their universities—universal military training is being urged upon us for psychological reasons. Without arguing whether universal military training is now needed or not needed, as that is manifestly a most important question of national policy, I should like to emphasize that there are many other important ways to take the psychological offensive which are far less costly, though indeed not so orthodox. We may be turning to the idea of universal military training largely because it is orthodox, it is traditional, it is what we are accustomed to, and it is the first thing a great country always considers in a crisis of this kind. Its psychological impact was the first thing a country considered before the advent of the motion pictures, before the coming of the radio, before television was invented; and of course many of

our people naturally think along that same orthodox line, and I am not now saying they are wrong. I am merely saying there are other ways—new and powerful ways.

This morning in the New York Times Mr. Hanson W. Baldwin, who is regarded by many as our leading military writer, wrote an extraordinarily compelling story headed "Spirit as a War Factor," from which I shall read a paragraph. I may say that his article reminded me of General Eisenhower's eloquent testimony before the Thomas committee, in which he pointed out that an army, no matter how large, is valueless and worthless without morale. Mr. Baldwin concludes his article:

But no such happy result—

That is, victory and peace in Korea—can be achieved unless the population of Korea is convinced that we do not come merely to bring devastation, unless these simple, primitive and sometimes barbaric peoples are convinced that we—not the Communists—are their friends and offer the hope of a better life.

The truth is that what we are promising, or should be promising, to the peoples of the world—as I pointed out yesterday on a University of Chicago Round Table broadcast with Gen. David Sarnoff, of the Radio Corp. of America, and Dr. Harold Laswell, of Yale—what we are and should be promising is exactly what the Communists are promising. We are promising a better life for the peoples of the world, a better economic condition, and better security. We and the U. S. S. R. have exactly the same things to offer, the happiness of people everywhere in terms of their peace, prosperity, and sense of security.

A thing which is not understood by most of the American people about the Communist propaganda—and which explains its devastating effect throughout the world—is that it ties itself to the legitimate hopes, aims, and aspirations of the peoples to whom it is addressed. They believe it because they have little to lose and they want to believe it. We on our part must tie our story, or propaganda, to these legitimate aims and aspirations. We must show that we in the United States are not satisfied on our part, that we, too, want them to improve themselves. We, too, offer peace, security, and a better life for the suffering people of the world.

Mr. ROBERTSON rose.

Mr. BENTON. I yield to the Senator from Virginia.

Mr. ROBERTSON. Mr. President, will the distinguished Senator from Connecticut agree with me that even though the letter signed by certain Senators and sent last Friday to the President might not have represented a perfect approach to the question of presenting to the Russian people our viewpoint concerning peace it served a useful purpose of centering the minds of the American people on what might be accomplished through the medium of adequate broadcasts?

Mr. BENTON. I wholly agree. I congratulate the authors of the letter. I am merely pointing out that it covered

only one facet of the problem, one that is the easiest perhaps to emphasize, and thus perhaps the easiest for the American people to understand. Our people can easily see that they want the Russian people to understand us and our peaceful aims. It is more difficult for them to see the importance of the people of India or Korea or other nations throughout the world understanding us and our objectives.

Mr. ROBERTSON. Does not the Senator likewise think there might be some people in this country who are impressed by the fact that we appropriated last year funds for the erection of two broadcasting stations, to be located in Europe or Africa, and that those stations are not yet in operation? I understand we do not have a major Voice of America broadcasting station in operation in either Europe or Africa.

Mr. BENTON. Mr. President, our radio voice is a thin, tiny peep. That is all it is. I have occasionally looked back with some misgivings to my days in the State Department, when I took up this phrase, "Voice of America," and played my part in publicizing it. The phrase gives to many of our people a false illusion that we have a voice. It is a voice without a tongue or palate in many areas of the world.

Mr. ROBERTSON. I have heard it reported by some persons who have been stationed in Germany that our voice messages are not heard in Germany.

Mr. BENTON. It was not long ago, Mr. President, that I was told by Mr. Harry Martin—president of the American Newspaper Guild and our labor expert attached to Ambassador Katz, ECA office in Paris—that even in France not 50 percent of the people ever heard one friendly word about the United States, its aims, policies, its hope for peace, and for a better life for the French people—not a word. You may be sure they hear plenty from the U. S. S. R.

Mr. President, I ask unanimous consent to insert Mr. Hanson W. Baldwin's splendid article in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SPIRIT AS A WAR FACTOR—ITS POWER MUST BE RECOGNIZED, FOR IT CAN BE THE BALANCE OF VICTORY OR DEFEAT

(By Hanson W. Baldwin)

As the war in Korea enters its ninth week, there are more and more demands for what Woodrow Wilson called force, force to the utmost, force without stint, force without limit.

But it is precisely at this time, when we still are far from future victory and somewhat groggy from past defeat, that we must bear in mind one of the most profound sayings of one of history's great captains—Napoleon.

"There are only two powers in the world—the sword and the spirit," Napoleon said. "In the long run the sword is always defeated by the spirit."

This dictum, so applicable to Napoleon's time, is even more pertinent today when the enemy is Communist ideology, as well as Russian military power.

Yet at home and abroad we forget too often the things of the spirit in our dependence upon the materialism of physical force.

OVEREMPHASIS A DANGER

At home there is danger that we may concentrate too much on military mobilization to the detriment of other aspects of national strength. The Korean crisis must be kept in perspective as another crisis in the time of troubles, through which we are passing. We have been engaged in a world-wide conflict with the U. S. S. R. and international communism ever since the end of World War II, but, until Korea, the battles as far as United States manpower was concerned, were political, economic, and psychological.

The cold war has been punctuated by a series of little and not so little hot wars, in which the manpower of our friends and allies is involved—Greece, the militant Communist strikes, that at times almost approached civil war in France and Italy, China, French Indochina, and Malay. In Korea, where United States troops now are engaged, a more naked form of aggression than in the past has been used, but Korea remains another chapter in a world-wide struggle that still will be decided by all elements of national strength, not by military force alone.

It is, of course, possible that Korea may lead quickly to a general war. It is perhaps more probable that the "cold-hot" war with its recurrent crises may long continue. But in either case we cannot win victory by the sword alone. We must, therefore, emphasize in our world-wide campaign the power of the spirit, the political ideal of democracy, the moral ideal of western civilization, the economic ideal of equal opportunity. The national mobilization program must not be unbalanced in favor of military might alone.

A BATTLE OF WORDS

The importance of the spirit, or of the ideological must be recognized in fighting zones such as Korea, as well as in areas where the battle still is not with bullets, but with words. We have not done this too well in Korea. Strategic bombing against North Korean communications and transportation centers and industries undoubtedly has reduced the flow of supplies to the Communist invaders, and in time may reduce it further. But tactical bombing—the use of fighter bombers to hit specific targets such as trains or bridges—is more effective against communications targets.

Strategic bombing also is a two-edged sword. Inevitably we kill and maim civilians, including women and children, for civilians live near freight yards and industrial areas. We are indignant, and rightly so, about North Korean atrocities against our prisoners. Yet as North Koreans, would we not be equally indignant against Americans if our women and children were slain by American bombs?

The effect of these bombings already has helped to arouse considerable anti-American sentiment in India, and even a British newspaper has commented adversely. How immense will be our task in Korea, if we finally win there, after we have ravaged the land? Bombs are a bad way to win friends and influence people.

Yet it is certain that we rarely have considered before having undertaken strategic bombing the things of the spirit. Certainly in Korea we have not weighed the political and moral disadvantages of strategic bombing against the military advantages. Nor has the power of the spirit been assayed properly in the Korean battleground.

Some of our chief military problems in Korea stem from three factors—the superior battlefield intelligence of the enemy, the presence of guerrillas and Communist sympathizers behind our lines, and infiltration through our lines, often in the guise of refugees, of enemy soldiers.

PEOPLE'S SUPPORT LACKING

We would suffer from none of these disadvantages if we had the full, enthusiastic support of the Korean population—something

that obviously is lacking. In part, of course, the lack of support is bred by fear—fear of a Communist victory and the natural human desire of the noncombatant to pick the winning side. When and if the tide turns in Korea and the Communist forces are in retreat, there will not be so many Communist sympathizers behind our lines. Nevertheless the problem of the convinced fanatic will remain, and he can be dealt with effectively only if the civilian population is for us.

In their extensive war against Russian partisans the Germans found that the only answer to guerrillas, saboteurs, and spies in the combat zone of a foreign country was "to win friends and influence people" among the civilian population. The actual pacification of the country means just that. The power of the spirit, not the power of the gun, wins the cooperation of civilians. When that cooperation comes the work of the spy, saboteur, or guerrilla finally becomes unsupportable; instead of help, he finds each man's hand against him.

But no such happy result can be achieved unless the population of Korea is convinced that we do not come merely to bring devastation unless these simple, primitive, and sometimes barbaric peoples are convinced that we, not the Communists, are their friends and offer the hope of a better life.

From top command to the individual GI the power of the spirit, which Napoleon stressed, must be recognized. It can be the balance that means victory instead of defeat. But so far we have not proved our case in Korea—or for that matter, in the world.

Mr. BENTON. I should like to invite the attention of the Senate to an illustration which shows how far ahead the American people have been in their recognition of the importance of the area I am discussing, of their administration and their legislators. Here is another story in which the people themselves are way ahead of us here in Washington, as they were on the subject of aviation as a potential major arm of our military forces.

Mr. President, I ask unanimous consent to insert in the RECORD the Gallup poll of July 29, headed "Vote for Greatly Expanded Voice of America Program Jumps Sharply Since Korea"; and "Proportion for Benton Plan is 7 to 4 Among All Voters; 3 to 1 Among Best Informed."

Here we have, Mr. President, a fine example of how the people themselves respond to an important issue which confronts them at a critical time. It is a good commentary, I submit, on the intelligence and the alertness of the American public.

There being no objection, the poll was ordered to be printed in the RECORD, as follows:

VOTE FOR GREATLY EXPANDED VOICE OF AMERICA PROGRAM JUMPS SHARPLY SINCE KOREA—PROPORTION FOR BENTON PLAN IS 7 TO 4 AMONG ALL VOTERS; 3 TO 1 AMONG BEST INFORMED

(By George Gallup, director, American Institute of Public Opinion)

PRINCETON, N. J., July 29.—The move in Congress for a greatly expanded program to tell America's story abroad is getting increasing support from the public.

Before the Korean war began, the vote in favor of the Benton proposal to step up our information program abroad stood at 5 to 4 in a survey by the American Institute of Public Opinion. Today it is 7 to 4 in favor. And among those persons who already know something about the present activities of the Voice of America, the vote for a greatly enlarged effort is substantial, nearly 3 to 1.

The Senate resolution sponsored by Senator WILLIAM BENTON, of Connecticut, includes a proposal for a network of long-wave, medium-wave, and short-wave radio stations capable of reaching every receiver in the world, as part of a vast increase in an American propaganda of truth.

The resolution has been supported by many leaders, including Gen. Dwight D. Eisenhower. President Truman has said that "unless we get the real story across to people in other countries, we will lose the battle for men's minds by default."

The reaction of the general public to an expanded information program was tested in a survey in April and again last week. Here is the trend:

"Some people believe the United States should spend a great deal more money than we are now spending to offset Russian propaganda (information) and to tell our side of the story to Europe and the world. Do you agree or disagree?"

	April	Today's survey
	Percent	Percent
In favor of more expenditure.....	47	52
Against.....	38	29
No opinion.....	15	19
Total.....	100	100

In order to record the views of the better informed voters—those who are aware that the State Department has been operating the Voice of America broadcasts to foreign lands, the survey asked each person, "Have you ever read or been told anything about the Voice of America broadcasts?"

Those who have heard about it vote as follows today, as compared to April, on enlarging the program:

Vote of persons aware of Voice of America broadcasts

	April	Today's survey
	Percent	Percent
In favor of more expenditure.....	53	64
Against.....	35	24
No opinion.....	7	12
Total.....	100	100

By contrast, here is the vote of those who were not aware of the existence of the Voice broadcasts. It shows how much more favorable the informed opinion is than the uninformed—thus demonstrating the value, from the State Department point of view at least, of publicizing throughout the United States the work which the Voice is doing.

Vote of persons not aware of Voice of America broadcasts

	April	Today's survey
	Percent	Percent
In favor of more expenditure.....	35	39
Against.....	41	34
No opinion.....	24	27
Total.....	100	100

Mr. BENTON. Mr. President, may I conclude with a few suggestions, because this subject seems to me of such crucial national urgency? The distinguished majority leader did not refer to it as a separate problem for the Senate to consider before we adjourn, but I earnestly hope we shall consider it before we leave Washington, as a part of the appropriations bill. It will be recalled that I previously pointed out to the Senate that

Ambassador Dulles, in the hearings on my Senate Resolution 243, stated that he thought our success in meeting the Soviet propaganda meant the difference between war and peace within a matter of months. If there is a chance in five that Ambassador Dulles is correct, indeed, if there is a chance in 25 that he is correct, we should not and cannot leave Washington until we have provided adequate funds to take care of this crucial area in our foreign policy, on which our very lives may depend. The \$89,000,000 for which the Department of State is now asking as an increase in this area, through our Appropriations Committees, is an estimate made up long before Korea. Months ago this estimate ground through the mechanics of the Government departments. Of that amount, \$41,000,000 will go to build the facilities referred to by the distinguished Senator from Virginia [Mr. ROBERTSON]. Another seven or eight million dollars will go for other long-term facilities that take a year or 2 years to build. Thus not over half of this \$89,000,000 is for actual operations.

Mr. President, I would point out to those who heard the questions of the Senator from Virginia that General Sarnoff estimated in the hearings on Senate Resolution 243 that \$200,000,000 is required to provide the United States with an adequate world-wide network. Yet the State Department is asking for only \$41,000,000.

Mr. President, this pre-Korean request for \$89,000,000 has been cut very substantially by the House. I urge upon the Senate a restoration of the amounts cut. Any cut would be extremely bad judgment at this time and would not meet with the approval of the American people, as the Gallup poll demonstrates. Further, the sum should be greatly increased. I hope we can cooperate with the Department of State in insuring a great increase in activity in this area. We should not adjourn until this is done and I hope we can get the leadership for it. I do not think \$300,000,000 for operations this year would be a bit too much. It is approximately one or one and a half to 2 percent of what we propose to spend on our military policy. I have previously given to the Senate several ideas on how extra money can productively be spent.

Mr. President, there is one other news-story I should like to bring to the attention of the Senate. This appears in this morning's papers. It is further evidence of the kind that is piling up all around us, wherever we look, every day. The front page of the New York Times this morning has a story headed, "British labor asks world mutual aid to succeed ECA." Two paragraphs of this story are as follows:

FOE IS "POVERTY EVERYWHERE"

The object of the plan, according to the policy statement, would be "to attack poverty everywhere in developed and undeveloped countries alike."

It would amalgamate the efforts already being made by the United States, Britain, and the United Nations, to assist undeveloped territories. Participating countries would contribute to its cost according to their abilities.

I ask unanimous consent that the entire article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BRITISH LABOR ASKS WORLD MUTUAL AID TO SUCCEED ECA—PLAN TO COMBAT COMMUNISM AND FASCISM IN UNDEVELOPED AREAS IS URGED BY PARTY—WOULD ENLARGE POINT 4—NATIONAL COMMITTEE TRANSFERS EMPHASIS FROM DOMESTIC GAINS TO PERIL ABROAD

(By Clifton Daniel)

LONDON, August 20.—A world plan for mutual aid to sustain the prosperity of the industrial nations and to combat communism and fascism in underdeveloped areas was proposed today by the national committee of the British Labor Party in its 1950 statement of policy and principles.

This plan, which would be undertaken by the free nations and would succeed the European recovery program in 1952, is similar to proposals already made by various individual statesmen, but it is the first of its kind to be advanced by the governing party of any major country. It is in effect a magnification of President Truman's point 4 program for aid to underdeveloped areas.

Morgan Phillips, secretary of the Labor Party, said that the plan was not a formal commitment on the Labor government to act on specified lines because any action would have to be preceded by discussion with the British Commonwealth, western Europe, and the United States. But the party's research organization, he said, has already been working on the problem.

FOE IS "POVERTY EVERYWHERE"

The object of the plan, according to the policy statement, would be "to attack poverty everywhere in developed and undeveloped countries alike."

It would amalgamate the efforts already being made by the United States, Britain, and the United Nations to assist undeveloped territories. Participating countries would contribute to its cost according to their abilities.

While the western democracies must be strong enough to resist aggression, the labor statement said, armed strength is not enough.

"Rising standards of living," it declared, "are the strongest defense against infiltration by communism and fascism."

As the undeveloped areas mostly require technical and scientific assistance, the statement said, the British Government would establish a technical service to provide knowledge, experience, and skill for those areas—an agency comparable to the United States point 4 organization.

The mutual aid plan was outlined in a 39-page pamphlet called "Labor and the New Society," which the party's executive committee began pondering last May, after the election set-back that almost cost it control of the House of Commons and the Government. The pamphlet is not an election platform, but will form the basis for the platform that will be written when the date of the next general election is known. It will be discussed throughout the party and debated in October at the Labor Party's annual conference.

Drafting of the statement was completed after the start of the Korean war and the drive to rearm western Europe.

"Paying for defense is bound to limit the money available for social services or tax reduction," the policy statement warned.

GAINS TIED TO PRODUCTIVITY

Major advances in the social services, it added, will be possible only through increased productivity. Moreover, in the face of obviously hostile or indifferent public opinion as manifested in the election returns, the Labor Party leaders conspicuously soft-ped-

aled their plans for nationalization of further segments of business and industry.

Industrial insurance, cement, sugar, and minerals, all of which had been scheduled for nationalization in the last year's policy statement, were not mentioned in the 1950 version. Mr. Phillips said they were eligible for consideration but that the committee "did not think it wise at this stage to tie the party to a timetable for nationalization."

The statement said only that water supply would become a public service and that the Labor government would put into effect the legislation already enacted to nationalize the iron and steel industry.

As for other industries, it said that the Monopolies Commission would be strengthened and that "monopolies will be transferred to public ownership if they cannot be dealt with in any other way." Also, the Labor Government may "use its existing powers to take over concerns which fail the Nation" and establish public enterprises to compete with private firms that "are not pulling their weight," the statement said.

Mr. BENTON. Mr. President, the British Labor Party has taken over, in this recommendation, our point 4 program and has projected it at a high level of the British policy and, I hope, at a high level of international policy. Point 4 is designed to show people everywhere that we in the United States share the hopes, aims, and aspirations of the poverty-stricken and suffering peoples of the world, and that we are determined to help them solve the problems and secure a richer and happier life.

Point 4 is an answer to the Russian propaganda. Other facets of American foreign policy show also that we are not satisfied with the world as it is and that we shall devote our resources to the improvement of the suffering world; that we shall, in line with the recommendations of the senior Senator from Connecticut [Mr. McMAHON], if we can achieve success in reducing our armaments, take billions of dollars saved out of the field of armament, into which we are unhappily forced, and devote them to the improvement of the peoples of the world upon whose understanding and good will, Mr. President, our very future may depend.

EXPANSION OF RESERVE COMPONENTS OF THE NATIONAL MILITARY ESTABLISHMENT

Mr. BYRD. Mr. President, Senate bill 960 provides for the construction, rehabilitation, expansion, conversion, and joint utilization of buildings, structures, utilities, and other facilities, including the acquisition of land, for the Reserve components of the National Military Establishment of the United States, and for other purposes. It was passed by the Senate on June 16. The House did not consider the Senate bill, but passed a bill of its own. There are differences between them.

I ask unanimous consent that the Senate proceed to consider the House bill, which is H. R. 8594, and amend it by striking out all after the enacting clause and substituting Senate bill 960, thus permitting the bill to go to conference.

The VICE PRESIDENT. Is there objection to the present consideration of the House bill?

There being no objection, the Senate proceeded to consider the bill (H. R.

8594) to provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administering and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes.

The VICE PRESIDENT. Without objection, the language of the House bill after the enacting clause will be stricken out, and the language of Senate bill 960 inserted in lieu thereof.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. BYRD. Mr. President, I move that the Senate insist upon its amendment, request a conference with the House of Representatives thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. BYRD, Mr. HUNT, and Mr. SALTSTALL conferees on the part of the Senate.

DEFENSE PRODUCTION ACT OF 1950

The Senate resumed the consideration of the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

The VICE PRESIDENT. The hour of 1 o'clock having arrived, under the terms of the unanimous-consent agreement entered into the time is divided equally between the proponents and opponents of any amendment that may be offered.

Mr. MAYBANK. Mr. President, if I may have the attention of Senators, I appreciate that perhaps some Senator may wish to have a quorum call at this time. If not, I may say that some 10 amendments submitted by various Senators, most of whom I see in the Chamber, have been agreed upon. I ask that I may, with unanimous consent, if necessary, call those amendments up and get them out of the way.

The VICE PRESIDENT. There is no amendment now pending.

Mr. MAYBANK. Mr. President, several amendments have been agreed upon. For instance, the distinguished minority leader and the Senator from Alabama [Mr. SPARKMAN] worked out an amendment together. There is also an amendment by the junior Senator from Ohio [Mr. BRICKER], and another one by the Senator from Kentucky [Mr. CHAPMAN]. There is also one which was submitted by the Senator from Florida [Mr. HOLLAND], although I do not see him present.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. WHERRY. My understanding is that the distinguished chairman of the committee would like to proceed by taking up the amendments to which there

will be no objection and on which there apparently will be no controversy.

Mr. MAYBANK. That is correct.

Mr. WHERRY. When those amendments are out of the way, a quorum call will be had.

Mr. MAYBANK. Yes.

Mr. WHERRY. Will these amendments necessitate a vote?

Mr. MAYBANK. I do not think so.

Mr. WHERRY. If not, I have no objection to proceeding without a quorum call.

Mr. MAYBANK. Of course, it will necessitate a vote to agree to the amendments. Mr. President, I send to the desk an amendment which I ask to have stated.

The VICE PRESIDENT. The Secretary will state the amendment.

Mr. WHERRY. I understand the Senator wants to take up the amendment which I offered on behalf of myself and the Senator from Alabama. I therefore send the amendment to the desk. It is amendment B.

The VICE PRESIDENT. The Secretary will state the amendment.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. TAFT. I suggest that when the Secretary reads an amendment he read the author of the amendment and the letter appearing at the bottom of the amendment, so that we may identify them. A great number of amendments have been submitted.

The LEGISLATIVE CLERK. Amendment B, offered by Mr. WHERRY and Mr. SPARKMAN:

On page 66, between lines 7 and 8, it is proposed to insert the following:

"(c) Whenever the President invokes the powers given him in this act to allocate, or approve agreements allocating, any material, to an extent which the President finds will result in a dislocation of the normal distribution in the civilian market, he shall do so in such manner as to assure each individual business in the normal channel of distribution of such material of its fair share of the available civilian supply based, insofar as practicable, on the share received by such business during a representative period preceding June 24, 1950."

The VICE PRESIDENT. The Senator from Nebraska is recognized for 5 minutes.

Mr. WHERRY. Mr. President, for the benefit of Senators I should like to state that amendment B was originally offered as amendment I. The only difference between the two amendments is that in the original amendment I there is added after the word "material" the following: "to an extent which the President finds will result in a dislocation of the normal distribution in the civilian market." The remainder of amendment B is exactly as offered originally as amendment I.

Mr. President, I spoke at some length on this amendment when it was offered on August 15.

Since that date, I have added perfecting language to the amendment, which in no way takes away from, or modifies its original purpose, but which may serve to clarify the conditions by which the President shall be required to put civilian allocations into effect.

It was thought by some that if the President acted under title III and made allocations it would be imperative to allocate and distribute through normal channels of trade the balance of the civilian supply even though there might not be a dislocation. The amendment would leave it up to the President at that time. If and when he puts allocations into effect under titles I, II, and III of the act, and if in military use or in the interest of national defense he finds there is a dislocation, and a severe one, the amendment would become applicable.

I think it is a good amendment, and it was suggested by the distinguished Senator from Alabama [Mr. SPARKMAN]. I do not think I could conceive of its becoming applicable unless there was a dislocation. This makes it perfectly clear.

Mr. President, we all know it is certain that the President will move immediately into the application of voluntary agreements for the distribution of strategic materials.

We also know that sufficient of those materials must be assured for military and defense production, irrespective of civilian needs.

It is also possible that the progression from voluntary to mandatory allocations will be rapid, depending upon the results obtained by voluntary agreements, or the necessity for more rigid allocations and priorities possible only under mandatory controls.

This amendment deals only with the distribution of available civilian supply, after military and national defense commitments have been made. It deals particularly with the survival of small and independent business in such distribution.

The pending bill pays a great deal of lip service to small business. In it are several references to creating a desirable atmosphere for small business. Such wishful thinking in behalf of small business has been included in previous legislation, some of which is still in effect, but I can assure the Senate that little or nothing has been done to effectuate such provisions.

Mr. President, there is no provision in this bill—and I have been over it with a fine-tooth comb—that assures to small and independent business a fair and equitable position in the distribution of allocated materials.

To accomplish this purpose—and I am sure it is an important purpose to all the Members of the Senate—the amendment provides that any allocation contemplated under this bill must utilize the normal channels of trade.

In order to get rid of the black market we must see to it that production goes through normal channels of trade. Otherwise the independents will be crowded out of the picture and they will be the ones to rush immediately to new sources of supply in order to pass their supply on to their trade.

America became great as a result of the independence of action afforded the small business segment of our economy. In a free economy, independent business can purchase supplies from integrated business and still sell in competition with

its larger competitors, and on many fronts favorably so.

In a controlled economy, however, this one weapon of freedom of movement is no longer available to independent business, because the very essence of controls means elimination of freedom of action. If, at the same time, we also destroy or divert the supply from the normal channels of distribution we sound the death knell of independent business.

Therefore, this amendment provides that whenever the President invokes allocation powers with respect to any material and he finds such allocation will result in a dislocation of normal distribution in the civilian market, the President shall allocate in such manner as to assure each individual business its fair share in the normal channel of distribution of such material.

The use of normal channels of distribution must be required; it must not be left to chance or to discretion.

However, complete flexibility as to the base upon which the President shall determine the fair share is contained in the last three lines of the amendment.

The President determines the fair share based, insofar as practicable, upon the share received by such business during a representative period, preceding June 24, 1950, and this determination is to be made by the President.

The words "insofar as practicable" give full latitude to the President or the Administrator to determine an applicable base period prior to June 24, 1950. Or the amendment permits the President to determine another practicable base period, depending upon the circumstances affecting the particular industry.

Mr. President, I believe the purpose of this amendment is clear. I believe it is consistent with the objectives of the Banking and Currency Committee, namely, to protect American small business.

The VICE PRESIDENT. The time of the Senator from Nebraska has expired.

Mr. MAYBANK. Mr. President, this amendment would require the President, in allocating materials, or in approving voluntary programs or agreements allocating materials, to assure a fair share of the supply to businesses in the normal channels of distribution.

The amendment is designed to help in solving a real problem—the tendency of integrated producers to discontinue supplying their independent nonintegrated customers, and to give all the available supply to their subsidiaries and branches. This obviously is unfair and harmful to independent business, particularly small business.

Questions have been raised as to the feasibility of establishing a formula of the kind proposed. We must be careful not to tie the hands of the President in the use of the powers given to him under the bill. The amendment has been modified to meet these problems, as far as seems possible without interfering with the objective. The requirement does not apply unless the allocations will result in a distortion of the normal civilian distribution, so that the President will not be required to undertake extensive allocations unnecessarily.

The shares of the businesses in the normal channels of distribution, which are to be assured under the provision, are to be fair shares, based so far as practicable on a pre-Korea base. There is, of course, no assurance that this will be sufficient to meet the full needs of the business, or even to keep it in operation. Under present and foreseeable conditions, no such assurance can be given. Furthermore, I understand it is not the intention or effect of the provision to interfere or affect the requirements of the military or essential civilian or defense needs.

In the light of these changes, and with the understanding that consideration will be given to any changes which may prove necessary after experience with the provision, I see no objection to the amendment, and urge that it be approved.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. WHERRY] for himself and the Senator from Alabama [Mr. SPARKMAN].

The amendment was agreed to.

Mr. MAYBANK. Mr. President, I send to the desk an amendment marked "8-15-50 K," on behalf of the Senator from Nebraska [Mr. WHERRY].

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 56, line 21, before the period, it is proposed to insert a comma and the words "or compromise with the seller the liability which might be assessed against the seller in such an action."

On page 56, line 21, after the word "instituted", insert a comma and the words "or such liability is compromised."

On page 57, line 2, before the word "under" insert "or a compromise."

Mr. MAYBANK. Mr. President, I understand that the purpose of the amendment is to permit the President to settle triple-damage actions against sellers violating ceiling regulations. As chairman of the committee, I have no objection to the amendment.

Mr. WHERRY. Mr. President, I would like to have my statement with regard to the amendment printed in the Record at this point.

The VICE PRESIDENT. Is there objection?

There being no objection, Mr. WHERRY's statement was ordered to be printed in the Record, as follows:

This amendment gives the President the right to compromise any liability for an over-ceiling sale, which might be assessed against the seller, if the buyer involved in the transaction fails to bring suit within 30 days of the sale.

The amendment provides further that if the President does compromise such liability, the compromise shall be a bar to further damage actions arising out of the over-ceiling sale.

As the bill now reads, the President has the right only to bring an action for treble damages, if the buyer has not done so within 30 days. It provides further that a judgment on such action will be a bar to any additional damage action by the President or by the buyer.

The amendment would allow the President to compromise as well as bring suit—and provides that a compromise would be just as effective a bar to further suits as a judgment.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MAYBANK. Mr. President, I send to the desk an amendment on behalf of the Senator from Colorado [Mr. JOHNSON].

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. At the proper place in the bill it is proposed to insert the following:

(e) When in his judgment it will aid the national defense, the President is authorized to install additional equipment, facilities, processes, or improvements to plants, factories, and other industrial facilities now owned by the United States Government.

The VICE PRESIDENT. Without objection—

Mr. TAFT. Mr. President, what amendment is this, and what is the purpose of it?

The VICE PRESIDENT. The Senator from South Carolina is recognized.

Mr. MAYBANK. It is an amendment marked "7-21-50-A," offered by the Senator from Colorado [Mr. JOHNSON].

Mr. JOHNSON of Colorado. Mr. President—

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Colorado?

Mr. MAYBANK. I yield.

The VICE PRESIDENT. The Senator from Colorado is recognized for 5 minutes.

Mr. JOHNSON of Colorado. Mr. President, I have no personal interest in this amendment. Its application is in the State of New Jersey. In explanation of the amendment and how it would apply, I shall read a report by Lewis Sanders, as follows:

RINGWOOD IRON MINES—PLANCOR 662 (ALAN WOOD STEEL CORP.), PASSAIC COUNTY, NORTHERN NEW JERSEY

This property was purchased by the United States Government in 1943. The Government expended just under \$4,000,000 in its acquisition and the construction of a concentrating mill with a capacity of 100 tons of crude ore per hour, enlarging the mine hoistways, equipping the mines, and rebuilding a 7½-mile standard-gage railway. The property includes dwelling units for 115 families.

The ore deposits include two developed mines, the Peters and Cannon, and a number of undeveloped ore bodies. Ground owned in fee 878 acres, and mineral rights on an additional 174 acres.

Ore in sight between 400,000 and 600,000 tons. Geological probabilities, based on the characteristics of both the developed mines and similar adjacent mines, favorable to substantial additional tonnages. Probable maximum possibilities of the district that can be served by the plant, 20,000,000 tons.

The Government did not complete the plant in time for operation during World War II. It was declared surplus and the Government has tried in vain since 1945 to find someone who would purchase and operate the property.

A year ago the property was brought to the attention of the undersigned. I have made a thorough engineering examination and report on the property and found that it was capable of profitable commercial operation.

I organized a group that agreed to provide the capital necessary to place the mines in operating condition and also furnish working capital. When it was attempted to close

contracts for the sale of the product it was found that the blast furnaces would no longer buy the grade of concentrates which the Ringwood mill had been designed to produce as they are too high in phosphorus.

I have made a further investigation and report which shows that by installing additional ball mills, classifiers and filters in the concentrating mill a Bessemer grade iron concentrate running 69 percent iron and unusually low in silica can be produced.

Also that by installing pelletizing furnaces, for which natural gas has just become available, a very superior product, ready for the blast furnace, can be produced. This product would be readily salable and should command a premium.

The cost of the additional grinding equipment and the pelletizing furnaces would be about \$800,000. It has proved impossible to induce private capital to make this additional investment.

Unless the Government will make the required additions to the plant it appears to be impossible to induce anyone to undertake its purchase and operation. If the present plant is cannibalized the ore deposits are probably permanently lost.

In my judgment the national situation in regard to iron ore reserves makes it important to mine all the small deposits possible before a major emergency arises. This will conserve the Great Lakes deposits which must constitute our reserves for an all-out war since only here can production be expanded with sufficient rapidity to meet our needs for steel.

Experience has shown that it is not practicable to exploit these small iron deposits after an emergency has arisen. Scarce manpower and critical materials have to be diverted from immediate military equipment while the product of the mine does not become available for use until too late to be of real importance.

However, although the future situation in regard to iron ore reserves may become quite critical, there is no warrant, in my opinion, for mining iron ore at a loss, subsidizing its production or maintaining iron mines in a standby condition, at considerable expense, awaiting an emergency. I fully concur in the refusal of the Munitions Board to designate the Ringwood iron mines as part of the national reserve.

I would recommend the completion of the Ringwood plant by the Government only on the basis that the Bureau of Mines finds that there is sufficient ore in sight to enable the Government to recoup the added investment. Also that a contract be obtained with an operator which will repay the Government's new investment within 6 years in addition to payments on account of the purchase price of the existing property.

The completed plant could produce, on two-shift operation and a 5-day week, 250,000 tons a year of iron ore pellets of Bessemer grade running 69 percent iron and only 1 percent silica.

The economic results of the operation are estimated to be: Annual payrolls, over \$700,000; annual supplies, power, \$600,000; annual to railroad for freight, \$500,000; annual pay, United States Government, \$95,000; annual income taxes, \$165,000; annual net earnings, \$175,000; annual depletion reserves, \$345,000.

LEWIS SANDERS.

The author of this statement is Lewis Sanders, as I have said. During World War II he was a colonel, and was assigned to the Committee on Military Affairs, and is known to all the members of that committee who served on it during World War II. Mr. Sanders is a mining engineer.

The VICE PRESIDENT. The time of the Senator from Colorado has expired.

Mr. MAYBANK. Mr. President, I ask unanimous consent that a statement

prepared by me with regard to the amendment be inserted in the RECORD at this point.

There being no objection, Mr. MAYBANK's statement was ordered to be printed in the RECORD, as follows:

This amendment would authorize the President to install additional equipment, facilities, processes, or improvements to plants or other industrial facilities now owned by the Government.

I recommend the adoption of the amendment.

The Government now has authority, under Public Law 883, Eightieth Congress (the National Industrial Reserve Act), to make improvements to plants designated as part of the national industrial reserve. The Government also has authority, under Public Law 152, to complete, rehabilitate, or convert surplus or excess plants owned by it but not in the industrial reserve.

The amendment would merely clarify the power of the Government to make improvements and additions to plants owned by it, whether or not in the industrial reserve.

However, I am a little uncertain as to the point at which the Senator would have his amendment go into the bill. In his printed amendment it is proposed that there be inserted at the proper place a new subsection (e). The amendment would seem to belong somewhere in title III but I find no appropriate place for a new subsection (e) in that title except in section 301 dealing with guaranties, and that would not appear to be the proper place. I wonder if the Senator would object to having his amendment made a new subsection (d) in section 303, to be inserted after line 14 on page 36. In that event the operations under the amendment would be covered by the borrowing power provided in section 304. If it is desired to have these operations covered by appropriated moneys the amendment could be added as a new section 306 at the end of the title. In either event the amendment would not, I suppose, preclude the use of any moneys otherwise available for these purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MAYBANK. Mr. President, I now send to the desk an amendment on behalf of the Senator from Florida [Mr. HOLLAND] marked "8-16-50 A."

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 31, lines 20 and 21, it is proposed to strike out "where the amount involved does not exceed \$10,000," and insert "without regard to whether the amount involved exceeds \$10,000."

Mr. MAYBANK obtained the floor.

Mr. HOLLAND. Mr. President—

The VICE PRESIDENT. Does the Senator from South Carolina yield?

Mr. MAYBANK. I yield to the Senator from Florida.

The VICE PRESIDENT. The Senator from Florida is recognized for 5 minutes.

Mr. HOLLAND. Mr. President, the amendment just read will merely provide that in the event any property is taken for defense purposes—

The VICE PRESIDENT. The Senator will suspend until the Senate is in order. The Chair has frequently called to the attention of the Senate the difficulty of hearing in this room. The slightest conversation creates confusion. The Chair hopes Senators and their employees, and employees of the Senate, will cooperate

in an effort to keep order in the Chamber. If anyone must converse with a Senator, call the Senator out. If it is not necessary to have a conversation, do not converse.

Mr. HOLLAND. I thank the Presiding Officer. Mr. President, the bill contains a provision under which property may be seized for defense purposes, and very properly so. It provides that in the event of a failure on the part of the seizing Federal agency and the citizen to agree on price, 75 percent of the appraised price shall be paid in cash, and that litigation must be brought by the aggrieved citizen for the balance of the purchase price of the property.

As now drawn, the provision is that up to \$10,000 the citizen can maintain a suit in the district court of the district where he lives, but if the claim goes beyond \$10,000, then he must come to the Court of Claims in the District of Columbia. The purpose of the amendment is simply to give the citizen the option in each case, whether it is above \$10,000 or not, of bringing his suit in the district court where he resides. I understand the amendment is accepted by the committee.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. CORDON. Would not exactly the same result be obtained by striking the language that is now in the bill?

Mr. HOLLAND. No; I would say that the same result would not be so obtained. I asked the Legislative Counsel very much the same question, and they told me that the same result would not be obtained, because under standing law applicable to general litigation the \$10,000 limitation does throw citizens into the Court of Claims when they have cases against the Federal Government growing out of ordinary transactions. It was the thought of the Senator from Florida, and as I understand, now of the committee, that in this kind of case, where the Government is taking property for defense or war purposes, the citizen should have the economic right to proceed in his own district, and I have heard no objection to that conclusion.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. MAYBANK] on behalf of the Senator from Florida [Mr. HOLLAND].

The amendment was agreed to.

Mr. MAYBANK. Mr. President, I ask that a statement of the committee regarding the amendment be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

This amendment affects persons whose property has been requisitioned and who do not agree with the amount of the award made by the President. Under these conditions they may take 75 percent of the award and sue for what they consider should be the balance due. Under the bill as reported, such a person could bring suit in either the local district court or in the Court of Claims in Washington if the amount involved were under \$10,000. Under the bill, if the claim were over \$10,000, the suit could be brought only in the Court of Claims. This is consistent with the provisions of the Judicial Code.

The amendment proposed by the Senator from Florida would permit a person whose property had been requisitioned to bring suit in his local district court, regardless of the amount.

I can see no objection to this amendment, and much merit in permitting suits in local courts. Accordingly, I recommend the approval of this amendment.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the House had passed, without amendment, the following bills and joint resolution of the Senate:

S. 1140. An act to authorize credits to certain public agencies in the United States for costs of construction and operation and maintenance of flood protective levee systems along or adjacent to the lower Colorado River, in Arizona, California, and Lower California, Mexico;

S. 2491. An act providing for the conveying of land and buildings at Fort Phillip Kearney Military Reservation to the State of Rhode Island;

S. 2868. An act to incorporate the Future Farmers of America, and for other purposes;

S. 3698. An act to enable the Secretary of Agriculture to furnish, upon a reimbursable basis, certain inspection services involving overtime work; and

S. J. Res. 174. Joint resolution granting the consent of Congress to the entry, by the State of Missouri and by the State of Illinois, into a compact or agreement between the State of Missouri and the State of Illinois creating the Bi-State Development Agency and the Bi-State Metropolitan District.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 100) providing for the printing of proceedings at the unveiling of the statue of Brigham Young.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H. R. 8112) to provide for the transfer to the States of the replicas of the State seals removed from the Chamber of the House of Representatives of the United States.

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1320. An act for the relief of Mrs. Barbarita Romero; and

S. 2457. An act to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of A. K. Chahroudi.

DEFENSE PRODUCTION ACT OF 1950

The Senate resumed the consideration of the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

Mr. MAYBANK. Mr. President, I send to the desk an amendment offered by the Senator from Massachusetts [Mr. SALTONSTALL], which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 70, line 20, after the word "Government", it

is proposed to insert: "who shall be appointed by the President by and with the advice and consent of the Senate, or who shall be an official required to be appointed by and with the advice and consent of the Senate."

Mr. SALTONSTALL. Mr. President, on last Tuesday, August 15, the Senate agreed to an amendment proposed by the junior Senator from Ohio [Mr. BRICKER] which struck out all of section 708 beginning on line 7, of page 73, and substituted new language.

I have proposed an amendment which would add a provision in subsection (c) of section 708 and I would like now to offer that amendment. I realize that to do this it will be necessary to reconsider the vote by which the amendment of the Senator from Ohio was adopted.

I now formally make that motion.

The VICE PRESIDENT. Without objection, the vote by which the amendment was agreed to will be reconsidered.

The Senator from Massachusetts can now offer his amendment to the amendment; and, without objection, the amendment to the amendment will be agreed to, and without objection, the amendment, as amended, will be agreed to.

Mr. SALTONSTALL. Mr. President, I thank the Vice President for putting the question on the amendment so quickly, but the amendment has got to be offered now in a slightly different form, and I should like to have the amendment in that different form stated.

The VICE PRESIDENT. The vote by which the amendment was agreed to will again be reconsidered.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. TAFT. What amendment is it?

Mr. SALTONSTALL. It is the amendment dated "8-17-50," lettered "J."

Mr. TAFT. Very well.

Mr. SALTONSTALL. Mr. President, in making the motion I have two purposes in view: First, I want to submit the amendment, which I have had printed, and which requires that the official approving voluntary agreements or programs be an official appointed by the President by and with the advice and consent of the Senate. In the second place, I find that subsection (c) as agreed to could be clarified by rearrangement of the language, and I think that should be done.

I may say that I have discussed this matter with the Senator from Ohio and he has no objection to reconsideration.

The VICE PRESIDENT. Is that the amendment in a different form from the one previously reported at the desk?

Mr. SALTONSTALL. Yes; it is in a different form.

The VICE PRESIDENT. The amendment, as changed, will be stated.

The legislative clerk read as follows:

(c) The authority granted in subsection (b) shall be delegated only (1) to officials who shall for the purpose of such delegation be required to be appointed by the President by and with the advice and consent of the Senate, unless otherwise required to be

so appointed, and (2) upon the condition that such officials consult with the Attorney General and with the Chairman of the Federal Trade Commission not less than 10 days before making any request or finding thereunder. For the purpose of carrying out the objectives of title I of this act, the authority granted in subsection (b) of this section shall not be delegated except to a single official of the Government.

Mr. SALTONSTALL. Mr. President, I have talked with the Senator from Ohio and the Senator from South Carolina and they both agree to the amendment. I hope it will be adopted.

The VICE PRESIDENT. Without objection, the amendment to the amendment is agreed to, and without objection, the amendment, as amended, is agreed to.

Mr. MAYBANK. Mr. President, on behalf of the Senator from Wyoming [Mr. O'MAHONEY] I send to the desk an amendment which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 35, line 9, after the word "materials", it is proposed to insert a comma and the words "including the exploration, development, and mining of strategic and critical metals and minerals."

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. WHERRY. Mr. President, I notice the Senator from Wyoming was on his feet, and was ready to make an explanation. I wish the Senator would tell us what the amendment will do.

The VICE PRESIDENT. The amendment of the Senator from Wyoming has already been agreed to.

Mr. O'MAHONEY. Mr. President, if the Senator from South Carolina will yield for a moment I will state that I appeared before the Committee on Banking and Currency when the measure was under consideration. I suggested an amendment to sections 302 and 303 to make certain that the development of domestic minerals, strategic and critical minerals and metals, would be within the scope of the bill. I suggested that the amendment be inserted in both sections. It came out of the committee in section 303, but it did not appear in section 302. Section 302 is the section which authorizes Government loans, and I felt that it was merely an inadvertence that the language "including the exploration, development, and mining of strategic and critical metals and minerals" was dropped from the section which authorizes loans, and that is the understanding.

Section 303 is the one which provides for assistance in carrying out the objectives of this act by authorizing the President to make provision for the purchase or commitments to purchase metals, minerals, and other raw materials, including liquid fuels, and so forth, and also authorizing him to make provision for the exploration, development, and mining of critical and strategic minerals and metals. In other words, this amendment merely brings these minerals within the scope of loans as well as purchase and exploration.

Mr. MAYBANK. Mr. President, the statement by the Senator from Wyoming is exactly correct.

The VICE PRESIDENT. The amendment has already been agreed to.

Mr. MAYBANK. Mr. President, I send to the desk an explanation of the amendment which has just been agreed to, which I ask to have printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

I have discussed the subject matter of this amendment with the Senator from Wyoming. I believe he understands that in agreeing to an amendment to an amendment in section 303 (a), clause (2), the committee was attempting in general terms to afford the President a broad power to make provision for the exploration, development, and mining of strategic minerals and metals. With that in mind I have no objection to the amendment of the Senator from Wyoming which proposes to include in section 302, relating to loans to private business enterprises, the same language as the committee put in section 303.

Mr. MAYBANK. Mr. President, I send to the desk an amendment which I ask to have stated, and also ask that the clerk read a brief statement in respect to the amendment.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 38, line 1, it is proposed to strike out "S. 3520" and insert in lieu thereof "Public Law 683."

The VICE PRESIDENT. The statement will be read.

The legislative clerk read as follows:

This corrects a reference to the abacá bill which has now become law and should therefore be identified by its public law number.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. IVES. Mr. President, I send to the desk an amendment which I ask to have stated and considered immediately, and then I desire to make a short statement with respect to the amendment.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 45, line 16, it is proposed to insert:

Ceiling prices to producers for milk used for distribution as fluid milk in any marketing area not under a marketing agreement, license, or order issued under the Agricultural Marketing Agreement Act of 1937, as amended, shall not be less than (1) parity prices for such milk, or (2) prices which in such marketing areas will bear the same ratio to the average farm price of milk sold wholesale in the United States as the prices for such fluid milk in such marketing areas bore to such average farm price during the base period, as determined by the Secretary of Agriculture, whichever is higher: *Provided, however,* That whenever the Secretary of Agriculture finds that the prices so fixed are not reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect market supply and demand for milk and its products in any such marketing area, he shall fix such prices as he finds will reflect such factors, insure a sufficient quantity of pure and wholesome milk, and be in the public in-

terest, which prices when so determined shall be used as the ceiling prices to producers for fluid milk in such marketing areas.

Mr. IVES. Mr. President—

The VICE PRESIDENT. The Senator from New York is recognized for 5 minutes.

Mr. IVES. Mr. President, this amendment is required because of a misunderstanding concerning the provisions of Senate bill 3936 with respect to the marketing of milk.

It had been assumed that all milk producers would receive the same kind of treatment under the terms of this bill as presently written.

Actually, such is not the case. Only milk producers covered by Federal milk-marketing orders would be so protected.

The purpose of this amendment is to insure that fluid milk prices in different areas of the country which are not covered by Federal milk-marketing agreements would be fixed in the same ratio as that which prevailed in the pre-Korean base period.

At present the bill contains a provision of this nature which pertains only to the 150,000 farm families who now are subject to Federal milk-marketing orders. This amendment would remedy the inequity brought about as a result of disregarding the more than 700,000 farm families who are not covered by Federal milk-marketing agreements.

The amendment merely provides that in fixing milk prices the ratio between prices in different areas must be maintained. Since milk prices in different areas have been determined in the first instance by differences in milk quality and costs of feed, this amendment would simply direct the Administrator to take these various factors into consideration.

It is further provided that whenever the Secretary of Agriculture may decide that this formula would not be in the best interest of a given area, it need not be applied.

Because this amendment would insure a steady milk supply by guaranteeing equitable treatment to the more than 80 percent of farm families who are not covered by Federal milk-marketing agreements, its inclusion now would be in the best interest of both the farmers and the milk-consuming public.

I urge adoption of the amendment.

Mr. LEHMAN. Mr. President, will the Senator yield?

The VICE PRESIDENT. The Senator from New York has 5 minutes.

Mr. IVES. I am glad to yield to my colleague from New York, certainly.

Mr. LEHMAN. I thank the Senator very much.

The VICE PRESIDENT. Has the senior Senator from New York concluded?

Mr. IVES. I may or may not have concluded. However, I now yield to my colleague from New York.

The VICE PRESIDENT. The junior Senator from New York is recognized.

Mr. LEHMAN. Mr. President, I wish to associate myself with my colleague, the senior Senator from New York. This amendment would simply place all producers of milk on the same basis, whether

they are protected by Federal orders or not.

I heartily favor adoption of the amendment.

Mr. MAYBANK. Mr. President, has the Senator from New York concluded his amendment?

Mr. IVES. Yes.

Mr. MAYBANK. I wish to submit an amendment to the amendment of the Senator from New York. I now send to the desk an amendment which I offer to his amendment, and ask that it be stated.

I may say that after long consultation with the Department of Agriculture and others—

Mr. IVES. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. IVES. Is the amendment of the Senator from South Carolina to my amendment in the form of a substitute?

Mr. MAYBANK. It is.

Mr. President, I ask that my amendment in the nature of a substitute for the amendment of the Senator from New York be stated.

The LEGISLATIVE CLERK. On page 45, line 16, after the period, it is proposed to add the following:

Whenever the Secretary of Agriculture finds that the minimum ceiling prices prescribed herein to producers of milk used for distribution for fluid milk in any marketing area not under a marketing agreement or order issued under the Agricultural Marketing Agreement Act of 1937, as amended, are not reasonable in view of the price of feeds, the available supplies of feeds, and other economic conditions which affect milk supply and demand for milk and its products in any such marketing area, he shall determine such minimum ceiling prices as he finds will reflect such factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest.

The VICE PRESIDENT. The question is on agreeing to the substitute amendment offered by the Senator from South Carolina to the amendment of the Senator from New York.

Mr. MAYBANK. Mr. President, let me say that last week I had a discussion with the Senator from New York about his amendment. I then took up the matter with the Department of Agriculture, and also had a lengthy conversation with Mr. Trigg, of the Department of Agriculture.

This morning I stated that the substitute I have now submitted had been suggested as a way to administer this measure in the interest of the people and in the way the Senator from New York wants it administered.

I told him that when he presented his amendment I would offer this amendment to it as a modification or a substitute which Mr. Trigg and others in the Department of Agriculture have approved and feel is feasible.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. TAFT. Has the committee considered the amendment?

Mr. MAYBANK. No.

Mr. TAFT. Do the other members of the committee favor it?

Mr. MAYBANK. I cannot answer that question.

Mr. TAFT. Is it not true that the whole subject of price controls in this respect has not been studied or given consideration by the committee? Is not milk only one of a thousand different commodities, the price of which would be fixed by the measure now under consideration?

Mr. MAYBANK. Mr. President, the Senator from New York will have to answer the Senator from Ohio on that point. The Senator from New York brought in his amendment recently and I said I would discuss it, and I did.

Mr. TAFT. I have not the slightest objection to either amendment; I simply do not know anything about them. I merely call attention to the fact that neither does any other Member of the Senate of the United States.

Mr. IVES. Mr. President, do I have any time at this point?

The VICE PRESIDENT. The Senator from New York will have 5 minutes to speak on the amendment in the nature of a substitute offered by the Senator from South Carolina to the amendment of the Senator from New York.

Mr. IVES. I should like to take 5 minutes, or a part thereof.

The VICE PRESIDENT. Has the Senator from South Carolina concluded?

Mr. MAYBANK. I yield.

The VICE PRESIDENT. The Senator does not have to yield; the Senator from New York is entitled to 5 minutes in his own right, at this time.

Mr. IVES. Mr. President, I should like to state that although I would prefer the amendment which I myself have submitted, nevertheless I realize the problem which has been stated so well by the distinguished Senator from South Carolina. The amendment I have offered may not be workable. That being the case, I am perfectly willing to go along with the substitute amendment now offered by the Senator from South Carolina for my amendment.

In this instance, however, I would point out that the amendment I have offered is identical with a provision on this subject, now contained in the House bill.

Therefore, if the substitute amendment now offered by the Senator from South Carolina is adopted, after the Senate bill is passed and when a conference is had, the conferees will have an opportunity to consider both the amendment proposed by the Senator from South Carolina as a substitute for my amendment and the provisions of the amendment I have submitted, which are identical with the provisions of the House bill in this respect.

For this reason, I am perfectly willing to join with the Senator from South Carolina in favoring the adoption of his amendment in the nature of a substitute for my amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from South Carolina to the amendment of the Senator from New York.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The question now is on agreeing to the amendment of the Senator from New York, as amended.

The amendment, as amended, was agreed to.

Mr. MAYBANK. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 34, beginning with the comma in line 19, it is proposed to strike out through line 21 and insert a period and the following: "After consultation with the Board of Governors of the Federal Reserve System, the guaranteeing agencies may prescribe the forms and procedures (which shall be uniform to the extent practicable) to be utilized in connection with such guaranties."

Mr. MAYBANK. Mr. President, this amendment rises from a recommendation contained in a letter from the Secretary of Defense, Mr. Johnson, dated August 11, relative to section 301 (c), page 34, lines 19 to 21, wherein the Federal Reserve Board is authorized "to prescribe regulations governing the forms and procedures (which shall be uniform to the extent practicable) to be utilized in connection with such guaranties." Secretary Johnson in his letter to the chairman of the committee pointed out that this language is not in accordance with the practice which prevailed and which was successful in World War II. He states:

It appears to permit the agent to prescribe to its principal the forms and procedures which both principal and agents shall use, notwithstanding that it will be the principal's funds which are committed, and it is a complete reversal of the authority and practice which prevailed so successfully in World War II under the V-loan program.

Because of the need of coordination on this matter, I discussed the matter with Mr. Joseph P. McMurray, of the committee staff, and also with the counsel for the Federal Reserve Board and with representatives of the Defense Department. The discussions resulted in complete agreement on the desirability of this amendment. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the letter from Louis Johnson, the Secretary of Defense, dated August 11, 1950.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF DEFENSE,
Washington, August 11, 1950.

HON. BURNET R. MAYBANK,
Chairman, Banking and Finance
Committee, United States Senate.

MY DEAR SENATOR: It has just been brought to my attention that section 301 (c) of S. 3936 as reported by your committee contains an amendment which may have serious implications. This is the provision which would leave to the Board of Governors of the Federal Reserve System, rather than to the President as in an earlier draft of the bill, or to the guaranteeing agencies as in Executive Order 9112, authority "to prescribe regulations governing the forms and procedures (which shall be uniform to the extent practicable) to be utilized in con-

nection with such guaranties" (p. 34, lines 19-21, of committee draft).

There can be no objection to that portion of the quoted language which requires uniformity, and indeed there is now being prepared in this Office a directive designed to insure this feature. However, the language seems objectionable in two respects. It appears to permit the agent to prescribe to its principal the forms and procedures which both principal and agent shall use, notwithstanding that it will be the principal's funds which are committed, and it is a complete reversal of the authority and practice which prevailed so successfully in World War II under the V-loan program.

It would, for example, make the agent, rather than the guarantor, the arbiter of important matters relating to the latter's financial commitment such as the form of the guaranty agreement, the extent to which the guarantor might review and prescribe protective terms for guaranteed loans or might require reports with respect to loans outstanding, and the terms upon which the guarantor must purchase the loans. Clearly, the authority of the Board should be confined to the operations of the Reserve banks and should not extend to such activities and obligations of the guaranteeing agencies.

Accordingly, I recommend either that the language quoted above be deleted from the bill or revised as suggested in the attached memorandum or that the language of the earlier draft giving this authority to the President be reinstated.

Sincerely,

LOUIS JOHNSON.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from South Carolina lettered "N."

The amendment was agreed to.

Mr. CAPEHART. Mr. President, in line with what has just happened, and in accordance with it, I should like to propose an amendment, which I do not have printed, having just learned of the occasion for it this morning. The amendment is on page 32, under title III, after line 19, to strike out lines 20, 21, and 22, and insert "any single agency of government, or may create a new agency." I desire to state the problem that is involved, and I read from section 302 in order that Senators may get an idea of what I think should be done:

In order to expedite production and deliveries under Government contracts, the President may authorize, subject to such regulations as he may prescribe, the Department of the Army, the Department of the Navy, the Department of the Air Force, the Department of Commerce, and such other agencies of the United States engaged in procurement for the national defense as he may designate.

That is simply a duplication, with four or five agencies trying to do the very same thing. It would create chaos. I happen to know that a gentleman who was called here by the Secretary of Defense last week and who was asked to head up the agency which might well handle the loan turned it down flatly, because he said the Department of the Army, the Department of the Navy, the Department of the Air Force, the Department of Commerce, and half a dozen other agencies were all going to have their fingers in it. So he would not take the position, and turned it down.

All my amendment would do would be simply to permit the President to designate a single agency of government, or to create a new agency if he so desired, in order that the loan business might all be concentrated in one agency. As written, the Department of the Army will be handling loans, the Department of the Navy will be handling loans, the Department of the Air Force will be handling loans, the Department of Commerce will be doing the same thing, as will any other agency engaged in the procurement of goods. The result will be that it will cost 10 times as much as it would if it were done by 1 small agency which would handle all loans made by the Government. I recommend that the Senate accept the amendment.

Mr. MAYBANK. Section 303 (c), on page 34, provides:

All actions and operations of such fiscal agents, under authority of or pursuant to this section, shall be subject to the supervision of the Board of Governors of the Federal Reserve System.

Mr. CAPEHART. That is correct.

Mr. MAYBANK. We included the provision regarding the Board of Governors of the Federal Reserve System at the request of members of the committee. I do not know which members, but the Board of Governors is given complete authority. I should hesitate to accept an amendment which had not been printed, particularly in view of the fact that the Board of Governors of the Federal Reserve System is supposed to have complete authority.

Mr. CAPEHART. The able Senator has missed the point entirely. The Federal Reserve Board will continue to act.

Mr. MAYBANK. I may have missed the point. It is rather difficult to understand an amendment which the distinguished Senator has stated he did not have printed. The legislative counsel and myself have been examining the provision, and we find that the Board of Governors of the Federal Reserve System will have complete authority.

Mr. CAPEHART. I want to say again that the amendment I propose has nothing to do with the Federal Reserve Board, which will continue to do everything that it is now doing under the law. Under the provision of the pending bill a half dozen agencies would be set up to do what could better be handled by one agency. The provision now in the bill would make for chaos and greatly increased expenditures. As I stated a moment ago, one of the finest men in the United States was called in last week and asked to take the job of doing the work called for by the bill, in respect to loans, to act simply as the agent, having nothing to do with the Federal Reserve Board. He said, "Absolutely not. I will not do it." He said, "No one else can do it and make it work, if each of these agencies is going to be dictating to the individual who is to be asked to administer this portion of the act." I am merely trying to be helpful to the President of the United States.

Mr. MAYBANK. Mr. President, will the Senator yield?

The VICE PRESIDENT. The Senator from South Carolina is recognized for 5 minutes.

Mr. MAYBANK. I appreciate the helpfulness of my friend from Indiana, who has been helpful in connection with many of the amendments. In committee we adopted several of them. But the Federal Reserve Board has the right to prescribe regulations in the interest of uniformity. In World War II the matter was handled under the Board of Governors of the Federal Reserve System, and we made a similar provision in this bill.

Mr. CAPEHART. The Federal Reserve Board still has all the power. The Senator is missing the point entirely in respect to what we are trying to do. My suggestion is that instead of having the matter handled by a half dozen different departments, we have the matter handled by one man or one agency, under the supervision of the Federal Reserve System.

Mr. MAYBANK. It was done this way in World War II. I am not missing the point. Federal Reserve legislation and OPA legislation and many other kinds of legislation are attempted to be written into the bill on the floor. The power is lodged in the Federal Reserve System, and was handled successfully in the last war by the Board of Governors.

Mr. CAPEHART. The various agencies handled it in World War II, and it was a very complicated matter. It did not work properly. If the Senator will consult the Secretary of Defense, he will learn that the Secretary prefers the matter to be handled as I have suggested.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART].

Mr. TAFT. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. TAFT. What is the amendment? I have not heard the amendment read.

The VICE PRESIDENT. It has been stated.

Mr. TAFT. I suggest that the Senator from Indiana might very well take up the matter with the chairman of the committee to see what can be accomplished. What has been adopted would not coordinate this procedure. It merely provides that after consultation with the Board of Governors, the guaranteeing agencies may prescribe forms and procedures to be utilized. It does not say they shall coordinate the actual loans after the forms have been prescribed. It seems to me something might be accomplished along the line suggested by the Senator from Indiana if he would write an amendment.

The VICE PRESIDENT. Debate having been exhausted, the question is on agreeing to the amendment offered by the Senator from Indiana, as it is.

Mr. CAPEHART. I should be very happy to withdraw it. It makes no difference to me. If the Senator from South Carolina will consult with the Secretary of Defense, he will find that the Secretary prefers to have it handled in the manner I have suggested.

Mr. MAYBANK. If I were to consult each of the secretaries, as the committee knows, each of them would have a different idea. We followed the law which

was in effect during World War II, and we believe that the proper way to handle it is under the regulations of the Federal Reserve Board.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Indiana.

The amendment was rejected.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. AIKEN. Mr. President, may I suggest—

The VICE PRESIDENT. The Chair cannot recognize the Senator from Vermont, because the time now is controlled by the two Senators.

Mr. AIKEN. Mr. President, I should like to know what Senators in the front row are saying. When they face the Vice President, we who are seated in the rear of the Chamber are unable to hear what they are saying. We just voted on an amendment, and I do not know what explanation of it was made by either Senator, because when a Senator faces the Chair, we are unable to hear him, though we are seated but three rows back of him.

The VICE PRESIDENT. The Chair regrets that condition, but there is not much the Chair can do about it, unless he insists that Senators either raise their voices or turn around. It is not so essential that the Chair hear the discussion as it is that Senators hear it, although the Chair, of course, is always interested. The bill is open to further amendment.

Mr. MAYBANK. I send to the desk my amendment "O," dated August 18, 1950, respecting V-loan guaranties.

The VICE PRESIDENT. The Secretary will state the amendment.

The legislative clerk read the amendment as follows:

On page 32, line 18, after "deliveries" insert "or services."

On page 33, line 13, after the word "deliveries" insert "or services."

On page 33, line 14, after the word "materials" insert "or the performance of services."

On page 35, line 3, after "deliveries," insert "or services."

On page 35, line 4, after "materials" insert "or the performance of services."

On page 35, line 7, after "enterprises" insert the following: "(including research corporations not organized for profit)."

The VICE PRESIDENT. The Senator from South Carolina is recognized for 5 minutes.

Mr. MAYBANK. Mr. President, I have a letter from the Secretary of Defense on this subject. I understand it was the feeling of the Armed Services Committee that this was the thing to do. I have here an explanation of the amendment, which I send to the desk.

The VICE PRESIDENT. The Secretary will read the explanation.

The Chief Clerk read as follows:

This amendment would extend the V-loan-type guaranty provided for in section 301 of the bill and the direct loans provided for in section 302 of the bill to contracts and operations providing for the performance of services. Those sections now apply only to contracts or operations providing for the production and delivery of materials. I do not believe that the committee intended to exclude contracts and operations involving the

performance of services from those provisions. Service contracts which this amendment would provide for would include contracts for the transportation of military personnel or of goods previously delivered, management contracts, surveying and map-making contracts, and research contracts. I think the importance of expediting such contracts is obvious, and I hope that the amendment will be adopted.

The amendment would also make it clear that contracts with nonprofit research corporations would be covered.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from South Carolina.

The amendment was agreed to.

Mr. MAYBANK. Mr. President, I send to the desk another amendment which I offer on behalf of myself, the Senator from Virginia [Mr. ROBERTSON], and the Senator from Kentucky [Mr. CHAPMAN].

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 44, line 11, it is proposed to strike out "higher of the two" and insert in lieu thereof "highest of the."

On page 44, line 20, to strike out "differentials; and no" and insert the following: "differentials, or, (iii) in the case of any commodity for which the market was not active during the period May 24 to June 24, 1950, the average price received by producers during the most recent representative period prior to May 24, 1950, in which the market for such commodity was active as determined and adjusted by the Secretary of Agriculture to a level in line with the level of prices received by producers for agricultural commodities generally during the period May 24 to June 24, 1950, and adjusted by the Secretary for grade, location and seasonal differentials, or (iv) in the case of fire-cured tobacco a price (as determined by the Secretary of Agriculture and adjusted for grade differentials) equal to 75 percent of the parity price of Burley tobacco of the corresponding crop, and in the case of dark air-cured tobacco and Virginia sun-cured tobacco, respectively, a price (as determined by the Secretary of Agriculture and adjusted for grade differentials) equal to 66⅔ percent of the parity price of Burley tobacco of the corresponding crop. No."

On page 44, line 25, to strike the word "higher" and insert in lieu thereof "highest."

On page 45, line 10, before the period, to insert a semicolon and the following: "and in establishing the ceiling (1) for any agricultural commodity for which the 1950 marketing season commenced prior to the enactment of this act and for which different areas have different periods of marketing during such season or (2) for any agricultural commodity produced for the same general use as a commodity described in (1), the President shall give due consideration to affording equitable treatment to all producers of the commodity for which the ceiling is being established."

Mr. MAYBANK. Mr. President, this amendment is designed to facilitate realistic and equitable administration of agricultural commodity ceilings.

Senate bill 3936 as reported by the committee and amended on the floor prohibits the establishment of any ceiling on agricultural commodities below (1) the parity price of such commodity or (2) the price received by producers during the period May 24 to June 24, 1950. There are a number of agricultural commodities which because of their seasonal nature were not marketed during this period, hence the effective minimum ceiling prices for those commodities would be the parity price. The provision contained in the amendment adding section 402 (e) (3) (iii) establishes an additional minimum ceiling price which will be applicable to these commodities for which the market was not active during the specified period. Such price will be the average price received by producers during the most recent representative period prior to May 24, 1950, as determined by the Secretary of Agriculture, in which the market for such commodity was active, adjusted to a price in line with the level of prices received by producers for agricultural commodities generally during the period May 24 to June 24, 1950.

This will tend to assure an equality in treatment between producers whose commodities were not marketed during the period May 24 to June 24, 1950, and producers of commodities which were marketed during the specified period.

Under existing law the price of fire-cured tobacco is mandatorily supported at 75 percent of the loan rate of Burley tobacco of the corresponding crop, and the prices of dark air-cured tobacco and Virginia sun-cured tobacco are mandatorily supported at 66⅔ percent of the loan rate of Burley tobacco. The provision contained in the amendment adding section 402 (e) (3) (iv) would insure minimum ceiling prices for these commodities which would be the same percentage above the support price as the minimum ceiling for Burley tobacco is above the support price for Burley.

The second part of the amendment requires the President in establishing maximum prices for any agricultural commodity for which the 1950 marketing season commenced prior to the enactment of this act and for which different areas have different periods of marketing during such season to give due consideration to affording equitable treatment to all producers of such agricultural commodity in the areas.

Some agricultural commodities have already been marketed at prices above the minimum ceiling prices specified in this section. The proposed amendment would require that due consideration be given to the establishment of ceiling prices on these commodities at levels which will afford producers in all marketing areas an opportunity to receive the prices obtained by the producers who marketed such commodities in areas prior to the enactment of this act. This paragraph also requires that due consideration be given to affording similar equitable treatment to producers of commodities that are similar to and produced for the same general purpose as commodities for which the marketing season began prior to the enactment of

this act. This provision is limited to ceilings which may be established only during the 1950 marketing season and, therefore, may prove to be of limited applicability.

I urge that the amendment be adopted.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. ROBERTSON. These changes were in the former OPA law, were they not?

Mr. MAYBANK. I understand that was the case.

Mr. ROBERTSON. The House bill contains a provision which is rather vague in its meaning. It is similar to this proposal, except that it takes care of all types of tobacco except Burley tobacco, which has a different marketing season from that of the other varieties of tobacco.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. TAFT. Mr. President, the Senator has a provision in his amendment which I do not understand. I do not think it is in the old act. It provides that the administrator shall take the average price received by producers during the most recent representative period in which the market was active, and then that it shall be adjusted to a level in line with the level of prices received by producers of agricultural commodities generally during the period May 24 to June 24, 1950.

What does that mean?

Mr. MAYBANK. It means that if a commodity was not being sold between May 24 and June 24, its price shall be fixed so as to correspond with the general price level during that period.

The VICE PRESIDENT. The time of the Senator from South Carolina has expired.

Mr. CAPEHART. Mr. President—

Mr. THYE. Mr. President, I desired to be recognized.

The VICE PRESIDENT. The Chair could not recognize the Senator from Minnesota because the time is under the control of the Senator from South Carolina and the Senator from Indiana.

Mr. CAPEHART. Mr. President, I shall be happy to yield to the Senator.

Mr. THYE. Mr. President, I should like to make a comment relating to dairy products. I could not quite understand whether dairy products would have parity or whether the prices which prevailed in the section involved would be the prices for dairy products.

Mr. MAYBANK. Does the Senator ask me that question?

Mr. THYE. Yes, I do.

Mr. MAYBANK. As I remember, only four products were above parity, and it was understood that in general parity would be considered, but the price would be parity or the market price whichever was the highest. Special provisions are made for milk, to be consistent with the Agricultural Marketing Agreement Act.

Mr. THYE. Prices of dairy products were exceedingly low in the month of June.

Mr. MAYBANK. They are seasonal products.

Mr. THYE. Likewise eggs.

Mr. MAYBANK. They are a seasonal product.

Mr. THYE. Would they receive parity?

Mr. MAYBANK. Yes; the ceiling could not be fixed below parity.

Mr. THYE. Dairy products and eggs would receive parity, because for them the prices were below parity in the month of June.

Mr. MAYBANK. That is my understanding, Mr. President.

The VICE PRESIDENT. The Chair recognizes the Senator from Indiana.

Mr. THYE. Mr. President—

Mr. MAYBANK. Mr. President, may I conclude my statement to the Senator from Minnesota?

The VICE PRESIDENT. The Senator from Indiana has the floor.

Mr. MAYBANK. Will the Senator yield?

Mr. CAPEHART. I will yield only for half a minute.

Mr. MAYBANK. It was my definite understanding as to dairy products and eggs, because they were seasonal operations at that time, that parity would be the effective price for them.

Mr. CAPEHART. I do not know whether it is a good amendment or a bad amendment. I doubt whether any Senator on the floor knows whether it is a good or bad amendment. This matter should have been handled by the Department of Agriculture. It is another reason why we should have held a public hearing on the bill. We are trying to write an OPA law on the floor of the Senate. I certainly cannot advise anyone as to whether it is a good amendment or a bad amendment.

Mr. THYE. Mr. President, will the Senator yield?

Mr. CAPEHART. Yes.

Mr. THYE. Do I understand that there is a provision in the bill which provides that no regulation or price can be imposed without first having a hearing at which interested persons may appear and testify as to how it would affect the economy?

Mr. CAPEHART. The committee had no hearings on this subject. The Senator from Minnesota knows as much about it as members of the committee know about it. All that has been said on the matter has been said here in the past 5 minutes.

Mr. THYE. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. THYE. I understood and was informed by the chairman of the committee at an earlier time that while a hearing had not been held, any regulation imposed upon an industry or a producer could not be put into effect until such time as a public hearing had been held and the interested parties had had an opportunity to be heard.

Mr. CAPEHART. That is not a correct statement. The bill does not require it.

Mr. THYE. Then I should like to suggest that the Senators who are in charge of the time, the Senator from South Carolina [Mr. MAYBANK] and the Senator from Indiana [Mr. CAPEHART], settle their differences, because I notice the Senator from South Carolina is nodding

his head in approval, and the Senator from Indiana says no.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. SALTONSTALL. I thank the Senator from Indiana. I should like to ask the Senator from South Carolina a question. The amendment considers tobacco, and would control the price of tobacco as one of the agricultural products mentioned in it. Will the Senator from South Carolina at the proper time, if this title of the bill becomes law, accept an amendment including fish and processing of fish? That industry suffered greatly during OPA days.

Mr. MAYBANK. This amendment was drawn and discussed with the Agriculture Committee, and also with Mr. Trigg. It was discussed for several days last week. It was suggested that this would be the only way in which to deal equitably with products which had no marketing season in that period.

The VICE PRESIDENT. The time of the Senator has expired. All time for debate on this amendment has expired.

Mr. WILLIAMS. Mr. President, I send to the desk a substitute for the amendment offered by the Senator from South Carolina.

The VICE PRESIDENT. The Senator from Delaware offers a substitute in lieu of the amendment proposed by the Senator from South Carolina, which will be stated.

The LEGISLATIVE CLERK. On page 44, beginning in line 11 with the word "higher", it is proposed to strike out through line 16; on page 44, line 25, to strike out the word "higher"; on page 45, beginning in line 10 with the word "nothing", to strike out through line 16; and on page 43, line 24, beginning with the comma, to strike out through the word "subsection."

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Delaware is recognized for 5 minutes.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. WHERRY. I understand the mover of an amendment is recognized for 5 minutes, and he is in control of that time under the unanimous-consent agreement.

The VICE PRESIDENT. The Senator is correct.

Mr. WHERRY. Therefore, the mover of a substitute is in control of that time.

The VICE PRESIDENT. He is in control of 5 minutes on the substitute.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MAYBANK. Mr. President, when the Senator who moves an amendment has concluded his remarks, then—

The VICE PRESIDENT. The chairman of the committee is then entitled to 5 minutes on the amendment.

Mr. WILLIAMS. Mr. President, the purpose of the amendment offered by the Senator from South Carolina is to exempt tobacco along with certain other agricultural commodities from any pro-

spective rollback of prices. If we are to consider the purpose of this legislation as being to control prices, it is absurd to start exempting a series of different commodities. If we are going to exempt agricultural commodities, we must also exempt wages. If we are to exempt both wages and prices, what are we talking about? The amendment I offer as a substitute would strike out not only the provisions of the amendment offered by the Senator from South Carolina, but also strikes out all other provisions in the bill which exempts any agricultural commodity from a prospective rollback in prices.

Mr. MAYBANK. Mr. President, the amendment I sent to the desk was not a rollback amendment. It was an amendment on which the Department of Agriculture and several Senators conferred at length, because there was no marketing season for such commodities. I should like to refer to the Senator's amendment, if I may. In the amendment a provision is included which reads:

Notwithstanding any other provision of this act, whenever the President decides that either price ceilings or wage stabilization is necessary, he must simultaneously declare both into effect as of the same base period, such base period being a 30-day period selected prior to June 24, 1950.

Mr. WILLIAMS. My modification omitted that paragraph. I intend to offer that later provision as a separate amendment. It will be included in a separate amendment.

Mr. MAYBANK. Will the Senator tell me what his amendment consists of?

Mr. WILLIAMS. It is amendment 8-18-50-F, with the exception of the first paragraph, which will be offered as a separate amendment.

Mr. MAYBANK. I apologize to the Senator from Delaware. When he mentioned his amendment 8-18-50-F, I thought the amendment which he had offered was the one he referred to.

Mr. WILLIAMS. The amendment which I am offering now strikes out the proposed exemption for certain agricultural products. The effect, if accepted, would be that all agricultural products would be treated on a basis of equality with wages. If prices and wages are rolled back to some date prior to June 24, no exceptions would be provided for any agricultural commodity.

Mr. MAYBANK. The second part of the amendment proposes to limit the ceiling on agricultural commodities to the average price received by producers on June 15, 1950. Provisions of the bill with respect to parity and minimum prices for milk under the Agricultural Marketing Agreement Act are the result of long and careful study by the Congress designed to bring agricultural producers fair prices for their products. This principle should be recognized in this bill. Many amendments have been proposed which are designed to undo what the Committee on Agriculture and the Department of Agriculture has done for years. We have an 80-percent parity amendment proposed to this bill. I do not know whether such amendments are germane, but I, for one, will not undertake in connection with this bill to legis-

late on subjects over which the Committee on Agriculture has jurisdiction instead of the Committee on Banking and Currency.

Mr. KEM. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. KEM. I understood the Senator to say a minute ago that the amendment is one that he had offered and had been discussed with the Committee on Agriculture.

Mr. MAYBANK. I said Department of Agriculture.

Mr. KEM. As a matter of fact it has not been taken up with the Committee on Agriculture.

Mr. MAYBANK. The Senator is correct. The Senator from Virginia [Mr. ROBERTSON] and the Senator from Kentucky [Mr. CHAPMAN], and Mr. Trigg were present, and Mr. Trigg said this was the only way it could be worked out.

Mr. KEM. Were any hearings held in which people who were interested in agriculture were given an opportunity to present their views?

Mr. MAYBANK. Yes. Mr. O'Neill was there. The Farm Bureau was represented. There were present many who are interested in agriculture, outside of the Committee on Agriculture and Forestry.

Mr. CAPEHART. I am not going to let that statement go unchallenged. No one testified on this amendment in the Committee on Banking and Currency.

Mr. MAYBANK. I did not say anyone had.

Mr. CAPEHART. What did the able Senator just say?

Mr. MAYBANK. Let us keep the record straight. The Senator from Missouri asked if anyone appeared before the committee who was favorable to agriculture. I said that of course some had appeared in favor of agriculture. The Grange appeared. The Senator was present when Mr. Goss appeared, and we had a statement by him. Mr. Kline appeared. But I never said they appeared in behalf of this amendment.

Mr. CAPEHART. They appeared, but not in behalf of this amendment.

Mr. MAYBANK. I did not say they did. I said no one appeared except the Senators who talked to me, and it was not a committee amendment. Mr. Trigg, of the Department of Agriculture, and others suggested that the amendment proposed a fair and equitable way of handling the matter. But there was no hearing on this amendment, and it is not a committee amendment. That is why it is offered with the names "MAYBANK-CHAPMAN-ROBERTSON" on it.

Mr. CAPEHART. No one appeared before the committee in open hearing on title 4 or 5, or upon the subject we are discussing at the moment.

Mr. MAYBANK. Mr. President, I cannot agree with the Senator from Indiana that no one appeared on titles 4 and 5, because we had before us the Farm Bureau, the Grange, the Farmers' Union, and many others. Representatives of the cotton people also appeared on the matters dealt with by those titles.

Mr. CAPEHART. When those gentlemen appeared, titles 4 and 5 had not

been written and had not even been discussed; they were not even in existence.

Mr. MAYBANK. Of course titles 4 and 5 were not there, but we needed the advice of other people—

The VICE PRESIDENT. The time of the Senator has expired. All time for debate on the substitute has expired. The question is on agreeing to the substitute offered by the Senator from Delaware [Mr. WILLIAMS].

The amendment, in the nature of a substitute to the amendment, was rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. JOHNSON of Colorado. Mr. President—

The VICE PRESIDENT. All time on the amendment has expired. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. MAYBANK] for himself and the Senator from Virginia [Mr. ROBERTSON] and the Senator from Kentucky [Mr. CHAPMAN]. [Putting the question.] The Chair is in doubt.

Mr. MAYBANK. I ask for a division. On a division, the amendment was agreed to.

Mr. GILLETTE. Mr. President, I call up an amendment I have at the desk.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 65, between lines 2 and 3, it is proposed to insert the following:

SEC. 606. (a) To assist in carrying out the purposes of this act, each commodity exchange, whether or not designated as a contract market under the Commodity Exchange Act, shall take all action reasonable and necessary to prevent excessive speculation on margins in commodities traded in for future delivery on such commodity exchange. For the purpose of this section, excessive speculation shall mean (1) speculative trading in a volume in excess of the volume reasonably necessary to absorb hedging trades, or (2) speculative trading of a character which causes or tends to cause unreasonable fluctuations or unwarranted changes in price.

(b) In furtherance of the purpose of this section the Secretary of Agriculture shall, whenever he has reason to believe there is, or is danger of, excessive speculation in any commodity traded in for future delivery on any commodity exchange, inform the appropriate control committee or officer of such commodity exchange, stating his reasons.

(c) For the purpose of this section, "commodity" shall mean and include any and all agricultural and forest products and byproducts, whether or not produced in the United States.

On page 63, line 15, strike out "section 601 or 602" and insert in lieu thereof "section 601, 602, or 606."

Mr. GILLETTE obtained the floor.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. MAYBANK. The original bill contained section 411 which made it mandatory for the various commodity exchanges of the country to come under the authority of the President or whomsoever the President might appoint. The committee rejected that provision, believing that we should not legislate on agricultural business. Then it was suggested that such an amendment might be proposed, and it was discussed with me. I said that the Committee on Bank-

ing and Currency was not trying to rewrite the commodity and exchange laws of the country.

The Senator from Iowa has been a diligent student and an able and capable member of the Committee on Agriculture and Forestry in trying to rewrite the laws relating to the commodity exchanges. I have discussed the amendment with him this morning, and he tells me the amendment provides for purely voluntary action on the part of the exchanges, giving them some authority to police themselves. He says there is nothing mandatory about it, that it does not put the exchanges under the Secretary of Agriculture, any more than they are now under him, or under the President, but that it makes it purely voluntary for the exchanges to police themselves. If I am mistaken, I wish the Senator would correct me.

Mr. GILLETTE. Mr. President—

The PRESIDING OFFICER (Mr. HOEY in the chair). The Senator from Iowa.

Mr. GILLETTE. The distinguished chairman of the committee is entirely correct. Section 411 was in both bills, the House version and the pending bill. It provided for policing of the commodity exchanges by governmental agencies, just as the Securities and Exchange Commission polices the stock exchanges. But because of the fact that there was a feeling that this was amendatory of the Commodity Exchange Act, which is legislation of long standing, and should not be adopted as a part of this bill, the House eliminated it by a vote of 198 to 194, and the Senate committee eliminated it from the Senate version of the bill, the bill now pending, for the same reason, I believe, the chairman has just stated.

In order to meet a situation which has developed in the last 2 or 3 weeks, when prices of commodities and dealing in commodities on the exchanges have run hog-wild—

Mr. THYE. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. THYE. Have they not authority to so police themselves now?

Mr. GILLETTE. Oh, yes; definitely they have that authority now.

Mr. THYE. Will not this amendment confuse? Will it not put fear into someone that it is mandatory? So long as they have the authority now and can do everything the amendment proposes, would we not be confusing the issue?

Mr. GILLETTE. I am sure the amendment will not confuse the issue, for the reason that they have the right to police themselves, but they are not compelled to police themselves.

Mr. THYE. Does this amendment compel them?

Mr. GILLETTE. It compels them to the extent that the Department of Agriculture can give them notice, if it thinks they are not adopting reasonable regulations, and under the penalizing provisions of the bill they will be brought under the law. A district court will have jurisdiction, and will determine whether or not the regulations are reasonable. The amendment will give that much control over them; but the policing will be entirely voluntary.

I am sorry the amendment could not be offered in time so that Senators could read it, but the Department of Agriculture sent it to me this morning, and this is the first I have seen it.

If it develops that housewives have a few extra pounds of sugar we are holding them responsible, and yet without any regulation at all we are letting the gamblers and speculators operate in thousands and thousands of pounds.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield to the Senator from North Dakota.

Mr. LANGER. If the amendment were agreed to, would it stop the selling of phantom wheat and other commodities, commodities which do not exist?

Mr. GILLETTE. Oh, no; it would not stop trading in futures. Trading in futures, of course, is in effect dealing in commodities which do not exist, because the transactions are not completed. It will ask the exchanges to regulate themselves, and will subject them to be brought under the jurisdiction of the courts, if they do not adopt reasonable regulations.

Mr. SPARKMAN. Mr. President, I wanted to ask the able Senator from Iowa that very question. It seems to me the action set forth here is wholly voluntary. In other words, it is voluntary policing.

Mr. GILLETTE. It is.

Mr. SPARKMAN. But in the very last provision the Senator makes violators subject to the penalty clause contained in section 603 of the bill.

Mr. GILLETTE. Yes.

Mr. SPARKMAN. I do not see who, under the provision of the first three paragraphs, would be answerable to that penalty except the Secretary of Agriculture. It seems to me the only person who is directed to do something is the Secretary of Agriculture. He shall report these things. It seems to me that if he fails to report he would be subject to the penalty. I do not see how anyone else can be subject to the penalty. I ask that for information, because I think the Senator is aiming at a very good objective.

Mr. GILLETTE. Mr. President, I read from the amendment:

To assist in carrying out the purposes of this act, each commodity exchange, whether or not designated as a contract market under the Commodity Exchange Act, shall take all action reasonable and necessary to prevent excessive speculation on margins in commodities traded in for future delivery on such commodity exchange.

It would fix margins at 100 percent, which would eliminate trading on margins. This will never be necessary. But if an exchange fails to take reasonable action when necessary, it and its officers and agents are subject to fine and imprisonment under section 603. A fine of \$5,000 would not make much difference to a commodity exchange. But under section 706 of the bill, the district courts of the United States are given jurisdiction over violations of the act generally and may enjoin any violation. So that with the provision that they are required to police themselves with reasonable reg-

ulation, if they do not, it would be a question of fact for the district court.

Mr. MAYBANK. What would be reasonable regulations? Very frankly I will say the first I saw of this amendment was about an hour ago. As I understand, its provision is purely voluntary.

Mr. GILLETTE. Definitely.

Mr. MAYBANK. I understand that the only person who could violate it would be the officers of an exchange.

Mr. GILLETTE. Yes.

Mr. MAYBANK. How could they violate a voluntary agreement?

Mr. GILLETTE. The question, under the penalizing clause, would be determined by the district court which has jurisdiction to determine whether they are carrying out the injunction to police themselves reasonably. It would be a question of fact for the district court.

Mr. MAYBANK. What would the fine be?

Mr. GILLETTE. Five thousand dollars is the fine. I may say to the distinguished Senator from South Carolina, who said he saw the amendment only an hour or so ago, that I saw it only a few hours ago.

Mr. AIKEN. Mr. President, will the Senator from South Carolina yield to me so I may ask the Senator from Iowa a question?

Mr. MAYBANK. I yield.

Mr. AIKEN. Who determines whether the commodity exchanges have complied with the purpose or the letter of the law, assuming that the amendment might be written into the law?

Mr. GILLETTE. Under the penalty clause it would be the district court that would have jurisdiction.

Mr. AIKEN. And what is the penalty if they do not comply?

Mr. GILLETTE. A fine of \$5,000.

Mr. AIKEN. In other words, they offer voluntary compliance, but if they do not comply they are subject to a fine.

Mr. GILLETTE. Yes.

Mr. AIKEN. And that is a single fine of \$5,000?

Mr. GILLETTE. It brings them under the penalty clause that is contained in the bill.

Mr. MAYBANK. For everything.

Mr. SPARKMAN. Mr. President, will the Senator yield so I may ask the Senator from Iowa a question?

Mr. MAYBANK. I yield.

Mr. SPARKMAN. This provision, as I understand, has to do with general policing, and is not subject to the weakness that section 411 was subject to, which sought to control merely by controlling margins.

Mr. GILLETTE. That is true. Section 411 was amendatory to the Commodity Exchange Act. This is not. But the control sought under the original section 411 was purely one of defining the margins across the board, which I thought was one of the weaknesses, because it hit the legitimate trader as well as one who was merely speculating. This calls for self-policing in every way it may be done, and particularly safeguards legitimate trading in the commodity.

Mr. GILLETTE. Under reasonable regulations,

Mr. SPARKMAN. And as to punishment, that would have to be in a case where there simply had been willful disregard of the entire policing, would it not?

Mr. GILLETTE. Should the district court so find on the facts presented.

Mr. SPARKMAN. Yes. In other words, the amendment does not lay down specific things to be done and not to be done and make them subject to penalty?

Mr. GILLETTE. Not at all.

Mr. CAPEHART. Mr. President, I ask unanimous consent to have one-half minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CAPEHART. Mr. President, if the amendment is strictly 100 percent voluntary and there is nothing mandatory in it, then why does it come under the criminal section?

Mr. TAFT. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. TAFT. I move to strike out the last two lines of the amendment of the Senator from Iowa, which are as follows:

On page 63, line 15, strike out sections 601 and 602 and insert in lieu thereof sections 601, 602, or 606.

That would mean that any person who willfully violated the provisions of section 606 could be fined not more than \$1,000. Now what is the crime? It is a violation of the provision that they shall take all action reasonable and necessary to prevent excessive speculation. In subsection (b) it is provided that "the Secretary of Agriculture shall, whenever he has reason to believe there is, or is danger of, excessive speculation in any commodity traded in for future delivery on any commodity exchange, inform the appropriate control committee or officer of such commodity exchange, stating his reasons."

The Secretary of Agriculture, I take it, determines what action is necessary to prevent excessive speculation, namely to raise the margin from 30 to 60 percent. I have no strong feeling about the section, but this is a restatement of the provision the committee struck out. I do not object to the voluntary provision, but if this is supposed to be a voluntary proposal, let us make it a voluntary proposal. As a matter of fact, as it is, it gives more discretion to the Secretary of Agriculture to determine what is reasonable action than the original section did.

Mr. MAYBANK. Mr. President, how much time do I have left?

The PRESIDING OFFICER. None.

Mr. MAYBANK. The Senator from Iowa offered an amendment. Is it agreeable to the Senator to accept the amendment suggested by the Senator from Ohio [Mr. TAFT], to strike out the last two lines of the amendment, and make the provision purely voluntary, with the hope that the Secretary of Agriculture and the commodity exchanges can get together and straighten out the situation by themselves?

Mr. GILLETTE. I cannot accept that amendment, because then we would simply request them to police themselves. There would be no authority behind the

request. There would be no way to hold them responsible. That would be an entirely different provision.

Mr. THYE. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. I yield.

Mr. THYE. Mr. President, I should like to make a comment on the statement made by the able Senator from Iowa, because it was the exact answer I received when I previously raised the question, first, that it was entirely a voluntary policing. But when we study and digest the amendment we find the penalties, and the full effect of the penalties written into the amendment. Therefore the two answers I received simply do not coincide or jibe, because one was that it was a voluntary policing, and the other one emphasized a \$5,000 penalty.

Mr. MAYBANK. Mr. President, I ask unanimous consent to be recognized for 5 minutes in my own time.

Mr. WHERRY. How much time does the Senator from Ohio have? Is it 5 minutes?

Mr. TAFT. Mr. President, does the Senator from Minnesota desire any time? I shall be glad to yield the Senator 2 minutes.

Mr. MAYBANK. Mr. President, I have 5 minutes. I yield to the Senator from Minnesota to ask the Senator from Iowa a question.

Mr. THYE. Mr. President, may I be recognized?

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 2 minutes.

Mr. THYE. Mr. President, I asked the question whether this is a voluntary policing operation on the part of the trade. I was informed it was strictly voluntary. Then as we began to examine the proposed amendment we found that the penalty provision of \$5,000 is written into the amendment, and that \$5,000 can be imposed without any question whatsoever. Until such time as we definitely are certain that it is a voluntary policing operation and authorization under the act, I certainly do not feel that I can justifiably vote in favor of the amendment or agree to accept it.

Mr. GILLETTE. I regret very much that I was unable to make the matter clear. As I see it, section 411 provided authority for a governmental agency to issue regulations for commodity exchanges. If that provision had been adopted, the penalizing provision would have applied to a violation of the regulations.

However, section 411 has been stricken out, and now this amendment proposes that in lieu of having the governmental agency issue regulations, the commodity exchanges shall be asked voluntarily to police themselves with reasonable regulations.

The first provision of the amendment states that they are directed to police themselves and to apply reasonable regulations. The question of whether the regulations are reasonable is one for the district court to determine. At no point is there a governmental regulation, if this amendment is adopted.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. BRICKER. Is not the contrary true, namely, that the Secretary of Agriculture can notify the commodity exchange as to the appropriate controls which he thinks ought to be imposed in order to take reasonable action to prevent excessive speculation; and if that is not complied with and if excessive speculation is not prevented, then, in the words of the Secretary of Agriculture, the commodity exchange can be haled into court and prosecuted and penalized under section 606. If the provision does not mean that, I do not see that it has any meaning at all.

Mr. GILLETTE. Mr. President, I think the Senator is incorrect. The amendment suggests that the Secretary of Agriculture, with the reports and the information he has, can call attention—

Mr. BRICKER. Mr. President, "inform" is the word that is used—a positive direction to the commodity exchange in regard to what is reasonable and necessary in order to prevent excessive speculation. If the language does not mean that, then there is no meaning at all to it.

Mr. GILLETTE. No; he would inform them as to the facts. They are to police themselves by means of regulations which they regard as reasonable. They adopt the regulations after the facts they obtain are before them and after the facts brought to their attention by the Secretary of Agriculture are before them. If the regulation they adopt then is unreasonable, they will be subjected to the penalty clause. No regulation is issued by any governmental agency whatsoever.

Mr. BRICKER. But the information given them by the Secretary of Agriculture fixes the standards upon which they must determine whether there is excessive speculation.

Mr. GILLETTE. It is undoubtedly a fact that a district court would take into consideration if it was determining the reasonableness or unreasonableness of the regulations issued.

Mr. BRICKER. Then under the amendment there will be three paragraphs of indefinite premises, finally leading up to a provision that the Secretary of Agriculture shall inform the commodity exchange what it will have to do if it is not to be subjected to a penalty of \$5,000 for failure to comply.

Mr. GILLETTE. But the alternative is to leave them with no regulation whatsoever, free to proceed hog-wild, and thus permit speculation to force up commodity prices.

Mr. BRICKER. Is the Senator of the opinion that there is an influence on prices as a result of the operations of commodity exchanges?

Mr. GILLETTE. Definitely.

Mr. BRICKER. Then the Senator is of an opinion different from that of the Joint Committee on the Economic Report, which says there is no effect on the prices of commodities as a result of such trading or operations.

Mr. GILLETTE. When was that report issued?

Mr. BRICKER. About 6 months ago.

Mr. GILLETTE. The situation has changed, and in the last 6 weeks prices have run wild.

Mr. BRICKER. What is the nature of the report of the Senator's committee?

Mr. GILLETTE. We have made parts of the report, which now is pending; and we are continuing our investigation.

Mr. BRICKER. Does not the Senator agree that we should have that information before we give a blanket endorsement to a proposal of this kind, when we do not know what it means? Should not we have that information before we provide a penalty of \$5,000, by way of fine, for each violation of an order of the Secretary of Agriculture?

Mr. GILLETTE. Mr. President, I wish it were possible to obtain the information. We are bending every effort to obtain it.

In the meantime, the only alternative is to leave the matter wide open and permit these persons to run away with the situation.

Mr. BRICKER. Mr. President, I am not in favor of leaving the situation wide open, but I think we should have before us first the facts bearing on the matter.

The PRESIDING OFFICER. All time has expired.

Mr. SPARKMAN. Mr. President, is the pending question on agreeing to the amendment of the Senator from Ohio [Mr. TAFT] to the amendment of the Senator from Iowa [Mr. GILLETTE]?

The PRESIDING OFFICER. That is correct. To the amendment of the Senator from Iowa [Mr. GILLETTE], the Senator from Ohio has offered an amendment to strike out the penalty provision.

The question now is on agreeing to the amendment of the Senator from Ohio to the amendment of the Senator from Iowa. [Putting the question.]

Mr. WHERRY. Mr. President, I ask for a division.

On a division, the amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on agreeing to the amendment of the Senator from Iowa.

The amendment was agreed to.

Mr. JOHNSON of Colorado. Mr. President, I call up my amendment, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 29, in line 13, after "Sec. 101", it is proposed to insert "(a)"; and on page 29, after line 24, it is proposed to insert the following new subsection:

(b) Except as provided in section 403, the authority conferred upon the President under this section shall be exercised by the Secretary of Commerce.

Mr. JOHNSON of Colorado. Mr. President, the amendment which I have offered is a very simple one; but if we are to profit by the mistakes we made in the last war, I submit that its adoption is of vital importance. The amendment provides in substance that the exercise of the authority under section 101, title I,

of the pending bill, entitled "Priorities and Allocations," be conferred upon the Secretary of Commerce, with the exception of consumer rationing, which is dealt with separately in the bill under section 403.

During the rearmament period which preceded the last war, our efforts to prepare ourselves were seriously hampered by the dispersion among several agencies of authority for the control and production of scarce materials. Many of these agencies were new and inexperienced. Their functions were not clearly delineated. As a result of interagency rivalries and conflicting policies, it was necessary time after time for the President to issue new reorganizing Executive orders. To bring order out of chaos, agencies were succeeded by super-agencies, and in turn by ultra-super-agencies.

The pending bill keeps priorities and allocations in one package in the Government. We cannot separate priorities and allocations and still have a good job done. However, more than that, we should keep both of them together and should keep the entire matter in one agency of Government. That is the purpose of my amendment.

Mr. MAYBANK, Mr. SALTONSTALL, and other Senators addressed the Chair.

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Colorado yield; and if so, to whom?

Mr. JOHNSON of Colorado. I am sorry that I do not now have time to yield. I wish to complete my statement before I yield. After I have completed my statement, perhaps I shall have time to yield to Senators who wish to ask questions.

Mr. President, unless we are prepared to resign ourselves to a sad repetition of that period of administrative confusion, the Senate should see to it today that the over-all authority relating to priorities and allocations is exercised through one agency, and, in particular, an agency which already is an established executive department of the Government, with sufficient facilities and staff to be able to do the job.

I should like to emphasize that the problems of priorities and allocations are intertwined and interdependent. They are Siamese twins, and they should not be separated. Performance depends, of course, on the ability to procure the necessary materials. Allocations are exercised efficiently only when the materials are distributed to those who need them to fill the orders which have been given preference in the interest of national defense. We cannot afford to have these two functions working at cross-purposes. It is futile for one agency to require a person to accept and carry out and perform a preference order when he may be denied, through the action of another agency, the very means of fulfilling it. There can be no dispute on this point.

Moreover, the problem of allocation in itself requires the utmost coordination of materials and facilities. The nature of the materials is not the basic test for conferring the authority. I say this without any reflection on other agencies. What I am trying to say is that we cannot afford to have the ques-

tions of distribution of materials determined by two or more different agencies, with no one agency to determine the inevitable conflict of demands. Our experience from World War II has shown that it is no solution to form one super-agency over another to resolve these conflicts. Such establishments serve only to interpose one more layer of insulation between promise and fulfillment, in the hope that somewhere along the line the contestants will get tired and drop out. And in the meantime everybody is kept waiting.

We should keep in mind that the Department of Commerce has all the facilities and know-how for handling this authority. It is a going concern. The Department took over the residual functions of the War Production Board and the OPA and it performed them well. In so doing, it built up a vast reservoir of valuable experience. Remember, also, that the Department administered the voluntary cooperation program of allocations under Public Law 395 of the Eightieth Congress. The Department has a fine and efficient Office of Industry and Commerce; it is experienced in controls. For years it has had the responsibility for export controls. Through its Census Bureau it is enabled to gather important statistics and other data in a minimum space of time; and its Office of Business Economics keeps in close and constant touch with all segments of industry. The Department of Commerce is an integrated, informed, and well-coordinated agency.

Let me not be misunderstood. I realize only too well the needs of agriculture, of industry, of the military and civilian portions of our Nation. I want them to have all the materials necessary for their existence.

The PRESIDING OFFICER. The time of the Senator from Colorado has expired.

Mr. JOHNSON of Colorado. I ask unanimous consent that the remainder of my remarks may be printed in the Record at this point.

There being no objection, the remainder of the statement of Senator JOHNSON of Colorado was ordered to be printed in the Record, as follows:

But I do not want to have our boys in Korea shot at by tanks, exposed to heavy artillery fire, and be unable to answer in kind. I don't want to see our tanks and trucks in Korea held up because the fuel they need is being unnecessarily used in civilian automobiles, or in pleasure trains. I don't want to see our boys lack guns and ammunition and explosives because the steel or grain that should have been used for these materials has been absorbed for building race tracks and other emporiums of pleasure and to provide cold storage for the hoarders of scarce goods.

I know there will be those who say that we should give the President the over-all authority and let him, in his discretion, parcel it out. I admire and respect the President and I want him to get every authority necessary to help our country. But I realize at the same time, that he is only human, and that he cannot give his personal attention to these things.

Congress should take upon itself the responsibility of channeling this authority through one agency. I think we must do it in an unequivocal manner. I know very

well that the moment this bill is passed, the President will be deluged with pressing requests from patriotic agencies with good intentions for consideration in the handling of the allocations program. And I also know that the line of least resistance will be to divide this authority among two or more agencies. In normal times, this would be proper, but these are not normal times. Until this present crisis at least has passed, we live in a state of dire emergency.

If we agree that this authority should be handled by one agency, why not say so in the bill? After all, we have done a similar thing in section 708 (b) which provides that the authority to waive antitrust laws relating to allocations may be delegated by the President to but a single official. I repeat that the one agency to be entrusted with priorities and allocations should be the Department of Commerce. I know of no other one Department which in the performance of its official functions is so close to all segments of industry, small business, labor, and agriculture. I know of no other one Department which can correlate and reconcile all the conflicting demands and claims that will inevitably arise under this section of the bill.

To all intents and purposes, the Department was the War Production Board during the transition period. It has the staff, the facilities, and the experience. I cannot urge too strongly that this Congress should say in plain language that it wants the priorities and allocation authority vested in the Department of Commerce. That will settle all doubts and it will better enable the President to exercise the authority conferred upon him in the bill.

This is a matter over and above personalities, but I do want to say that the Secretary of Commerce, Charles Sawyer, has amply demonstrated his ability to handle this complex authority. But beyond this is the overriding principle of coordination and one head. I do not want to see the priorities and allocations program bog down into a series of interdepartmental skirmishes. There is only one real place for fighting now, and that in Korea, where our boys are defending themselves, and us, from a worldwide menace. It is not enough that the Congress is united against aggression; we must make certain that the powers conferred upon the executive branch to defend ourselves are also united. I earnestly and sincerely urge the adoption of this amendment.

Mr. MAYBANK. Mr. President, this amendment would require the priority and allocation authority to be exercised by the Secretary of Commerce.

The President may delegate this authority to the Secretary of Commerce under the bill, and I certainly would have no objection to Secretary Sawyer administering substantially all of these controls. However, the President should be the authority responsible for directing the administration of these controls to the best interests of the national defense; and if, in the light of all of the circumstances and the purposes to be accomplished, it appears to him that any other agency would be a more suitable agency to administer a particular control, I think he should be free to use that agency. I do not think we should restrict the President from selecting in any case the very best agency possible. I will therefore have to object to this amendment.

I want it definitely understood that in doing so I would have no personal objection to the delegation of this authority to Mr. Sawyer. As a matter of fact I would expect, and I suppose that most members of the committee would expect,

that a large part of these controls would be handled by Mr. Sawyer, who was one of our principal witnesses. My objection goes to the question of leaving the President with flexible authority so that if he felt it necessary in the interest of national defense that any particular type of allocation or priority authority should be delegated to some other agency in the Government he would be perfectly free to make the delegation to that agency.

In other words, this amendment would direct the President of the United States to turn over to the Secretary of Commerce all questions regarding allocations and priorities of agricultural commodities.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. ROBERTSON. Is it not a fact that the Secretary of Commerce testified before our committee that he expected to handle the voluntary allocations of steel?

Mr. MAYBANK. That is correct.

Mr. ROBERTSON. His department is the Department which is specifically charged with the duty of looking out for the little fellow in this war effort, to see that the little fellow gets a fair break, is it not?

Mr. MAYBANK. I am in thorough accord with the Senator from Virginia. I know that he expects that steel and other commodities would be turned over to the Secretary of Commerce. But, I may ask, how about something that concerns the armed services.

Mr. ROBERTSON. Mr. President, if the Senator will yield, the Secretary of Agriculture wants to allocate all the steel that the Department may use. The Secretary of Commerce wants to allocate the steel for oil pipelines and gas pipelines and many other things pertaining to the interior. Does the Senator think that if this were divided up among the departments the steel people would know to whom to go, or that the little fellow who wanted a fair break in regard to allocations would get the consideration to which he was entitled?

Mr. MAYBANK. I may say to the Senator that is begging the question. In my statement I distinctly referred to steel. That should not be an issue in connection with the amendment. The Senator from Colorado has discussed the application of the amendment to the Department of Commerce, the Interior Department, REA, and all the others.

Mr. DOUGLAS. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. I yield.

Mr. DOUGLAS. Does the Senator agree with me that there are two theories as to how the controls shall be administered; one theory being to have them operated through existing departments; the other, that there is a possibility that it may be necessary to create a new agency, such as a new War Production Board, to control all these matters? Would not the amendment of the Senator from Colorado compel the President to use existing departments?

Mr. MAYBANK. No; to use the Secretary of Commerce only.

Mr. DOUGLAS. May not the situation be sufficiently serious that it will be necessary to establish a new board, with more vigorous personnel brought in from the outside, to manage it?

Mr. MAYBANK. The Senator is entirely correct.

Mr. DOUGLAS. And the amendment offered by the Senator from Colorado would prevent that from being done, would it not?

Mr. MAYBANK. I have not thought of it from that standpoint. I have thought of it from the standpoint of the Secretary of Commerce exercising all the controls. I am in favor of the Secretary of Commerce exercising the controls on steel. He has exercised such controls and has done a wonderful job. I do not see why we should tie the President's hands by saying that, if it is necessary to allocate wool, or something else about which Senators are concerned, the Secretary of Commerce shall do it. The Secretary of Agriculture might do it.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSON of Colorado. With the exception of consumer rationing—

The PRESIDING OFFICER. All time has expired.

Mr. TAFT and other Senators asked for the yeas and nays.

The yeas and nays were not ordered.

Mr. MAYBANK. I suggest the absence of a quorum.

Mr. JOHNSON of Colorado. Mr. President, may I have but one second in order that I may correct a misstatement which has been made?

The PRESIDING OFFICER. The Chair advises the Senator that, according to Senate time, we are unable to measure seconds. But is there objection to permitting the Senator from Colorado to address a question to the chairman of the committee? The Chair hears none.

Mr. JOHNSON of Colorado. This amendment does not deal with consumer rationing, which is dealt with separately in the pending bill under section 403; is not that correct?

Mr. MAYBANK. I beg the Senator's pardon. I never suggested consumer rationing. I said priorities and allocations. In connection with certain allocations, it might be that the Secretary of Agriculture would possess knowledge which the Secretary of Commerce did not possess. We might have to allocate cotton or oil or other things of that sort. I do not think the Senator means that Secretary Sawyer should do all of that. His office, Department of Commerce, is not set up to do it.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield, if I have the floor.

The PRESIDING OFFICER. Without objection, the Senator from South Carolina may yield to the Senator from Illinois for a question.

Mr. TAFT. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. Has not all the time expired?

The PRESIDING OFFICER. All time has expired. The regular order has been demanded. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Hoey	Mullikin
Anderson	Holland	Morse
Benton	Humphrey	Mundt
Brewster	Hunt	Murray
Bricker	Ives	Myers
Bridges	Jenner	O'Connor
Butler	Johnson, Colo.	O'Mahoney
Byrd	Johnson, Tex.	Pepper
Capehart	Johnston, S. C.	Robertson
Chapman	Kefauver	Russell
Chavez	Kerr	Saltonstall
Cordon	Kilgore	Schoeppel
Darby	Knowland	Smith, Maine
Donnell	Langer	Smith, N. J.
Douglas	Leahy	Sparkman
Dworshak	Lehman	Stennis
Eaton	Lodge	Taft
Ellender	Long	Taylor
Ferguson	Lucas	Thomas, Okla.
Flanders	McCarran	Thomas, Utah
Frear	McCarthy	Thye
Fulbright	McClellan	Tobey
George	McFarland	Tydings
Gillette	McKellar	Watkins
Graham	McMahon	Wherry
Green	Magnuson	Wiley
Gurney	Malone	Williams
Hendrickson	Martin	Withers
Hickenlooper	Maybank	Young
Hill		

The PRESIDING OFFICER (Mr. Hoey in the chair). A quorum is present.

Mr. LUCAS. Mr. President, I ask unanimous consent that I may speak for 2 minutes.

Mr. TAFT. Mr. President, I suggest that the Senator from Colorado [Mr. JOHNSON] also have 2 minutes.

The PRESIDING OFFICER. Without objection, each side is granted 2 minutes.

The Senator from Illinois is recognized.

Mr. LUCAS. Mr. President, I sincerely hope that the Senate will not adopt this amendment. If the Senate of the United States desires to put the Secretary of Commerce over the President of the United States, it can be done with this amendment. We are looking into the future. No one knows what is going to happen. The Korean situation is improved at the present time. No one knows what may happen tomorrow, but certainly the President of the United States should not be tied down with an amendment of this kind which tells him that everything in the way of allocation in connection with the control bill must come under the authority of the Secretary of Commerce. Surely the Senate of the United States will not adopt this kind of an amendment. Surely the Senate will give to the President a framework which is flexible. We are giving to the President much more than he has asked for. If we are going to give him stand-by controls, something which he did not ask for in the beginning, the Senate certainly should not tie his hands to the point where he will not be able to determine what agency of Government ought to handle this or that situation.

It seems to me, Mr. President, we shall be doing a foolish thing if we adopt this amendment, not knowing what the future may bring forth. Let us leave it to the President of the United States. It may be that he will never have to use

these stand-by controls. I certainly hope he will never have to use them. But if we are going to lodge all this power in the hands of the Secretary of Commerce, we are going to give the Secretary of Commerce more power than we are giving to the President of the United States.

Mr. KNOWLAND. Mr. President, will the Senator yield?

The VICE PRESIDENT. The Senator's time has expired.

Mr. JOHNSON of Colorado. Mr. President, there must be two tests before this amendment becomes effective. First, goods must be scarce; second, they must be strategic goods.

The object of the amendment is to put in one place priorities and allocations, as they should be, instead of having them scattered all over the lot. The Senator from Illinois has said that we do not know what is in the future. That is the reason we have proposed this amendment. When the time comes when we shall create a War Production Board, we shall not have to reach out into half a dozen different agencies and pick up the things which should all be in one place. We should not separate priorities and allocations; they should be kept together. The whole thing should be kept together.

As for giving the Secretary of Commerce more power than we grant to the President, that argument is positively ridiculous. Suppose we create a War Production Board and Congress tells that Board what it can and cannot do: Would we then be giving the War Production Board greater power than we are giving the President? Of course not.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. TAFT. This amendment applies only to one section dealing with allocations and priorities, does it not?

Mr. JOHNSON of Colorado. That is correct.

Mr. TAFT. It does not deal with prices or wage control or any other things under the bill.

Mr. JOHNSON of Colorado. It specifically eliminates section 403 and provides that the authority conferred under that section shall be exercised by the Department of Commerce.

Mr. TAFT. It refers only to the power conferred under that section.

Mr. JOHNSON of Colorado. That is correct.

Mr. TAFT. Is it not also true that the Secretary of Commerce operated these powers before, and is familiar with the machinery of allocations?

Mr. JOHNSON of Colorado. That is correct.

Mr. SPARKMAN. And that includes priorities?

Mr. JOHNSON of Colorado. That is correct.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. JOHNSON].

Mr. WHERRY and other Senators requested the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from Texas [Mr. CONNALLY] is detained on official business.

The Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

The Senator from West Virginia [Mr. NEELY] is paired on this vote with the Senator from Washington [Mr. CAIN]. If present and voting, the Senator from West Virginia would vote "nay," and the Senator from Washington would vote "yea."

I announce further that if present and voting, the Senator from Texas [Mr. CONNALLY], the Senator from California [Mr. DOWNEY], and the Senator from Arizona [Mr. HAYDEN] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Michigan [Mr. VANDENBERG] is absent by leave of the Senate.

The Senator from Washington [Mr. CAIN], who is absent by leave of the Senate, is paired with the Senator from West Virginia [Mr. NEELY]. If present and voting, the Senator from Washington would vote "yea," and the Senator from West Virginia would vote "nay."

The result was announced—yeas 47, nays 42, as follows:

YEAS—47

Aiken	Gurney	Mundt
Brewster	Hendrickson	Robertson
Bricker	Hickenlooper	Russell
Bridges	Hoyer	Saltonstall
Butler	Ives	Schoeppel
Byrd	Jenner	Smith, Maine
Capehart	Johnson, Colo.	Smith, N. J.
Chapman	Kem	Taft
Cordon	Knowland	Thye
Darby	Lodge	Tobey
Donnell	McCarran	Whekins
Dworshak	McCarthy	Wherry
Ecton	McClellan	Wiley
Ferguson	Malone	Williams
Flanders	Martin	Young
George	Millikin	

NAYS—42

Anderson	Johnson, Tex.	Maybank
Benton	Johnston, S. C.	Morse
Chavez	Kefauver	Murray
Douglas	Kerr	Myers
Ellender	Kilgore	O'Connor
Frear	Langer	O'Mahoney
Fulbright	Leahy	Pepper
Gillette	Lehman	Sparkman
Graham	Long	Stennis
Green	Lucas	Taylor
Hill	McFarland	Thomas, Okla.
Holland	McKellar	Thomas, Utah
Humphrey	McMahon	Tydings
Hunt	Magnuson	Withers

NOT VOTING—7

Cain	Eastland	Vandenberg
Connally	Hayden	
Downey	Neely	

So the amendment of Mr. JOHNSON of Colorado was agreed to.

Mr. JOHNSON of Colorado. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. WHERRY. Mr. President, I move to lay on the table the motion to reconsider.

Mr. LUCAS and Mr. MYERS addressed the Chair.

The VICE PRESIDENT. The Senator from Colorado moves that the vote by which the amendment was agreed to be reconsidered. The Senator from Ne-

braska moves that that motion be laid on the table.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. The Senator from Nebraska has made no such motion.

Mr. WHERRY. Yes; I did.

Mr. LUCAS. Was the Senator from Nebraska recognized?

The VICE PRESIDENT. The Chair recognized the Senator.

Mr. LUCAS. The Chair recognized the Senator from Colorado, and the Senator made a motion to reconsider the vote by which the amendment was agreed to.

The VICE PRESIDENT. Yes.

Mr. LUCAS. The Senator from Pennsylvania [Mr. MYERS] and I were on our feet.

The VICE PRESIDENT. Three or four Senators were on their feet at the same time.

Mr. MYERS. Is the motion debatable?

The VICE PRESIDENT. A motion to reconsider is debatable, with 5 minutes allotted to each side.

Mr. WHERRY. I thought the Chair had recognized me.

The VICE PRESIDENT. The Chair did recognize the Senator. However there seems to be some controversy, and although the Senator moved to lay the motion on the table, the Chair thinks in fairness to all, since only 5 minutes of debate is allowed on each side, the Chair ought to recognize the Senator from Pennsylvania [Mr. MYERS].

Mr. MYERS. Mr. President, I should like to have an explanation of the effect of the amendment to which the Senate has just agreed, from a member of the Committee on Banking and Currency, and I will ask the Senator from Alabama if he will explain the effect of the amendment. I ask unanimous consent that I may yield to the Senator from Alabama for that purpose.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, I believe this is perhaps the most far-reaching amendment that has been offered to the bill. I believe that undoubtedly some Senators voted for it without realizing the extent to which it went to the heart of the bill. The effect of the amendment is to give all power over priorities and allocations to the Secretary of Commerce.

Let us see what some of those priorities and allocations might be. Most of the time they have been with reference to steel, but steel is only one item. It is possible that electric power will have to be allocated. It is possible that someone will have to say how much power the rural-electric cooperatives will get. The amendment would turn it over to the Department of Commerce to decide that question, instead of the department which, under the law passed by the Congress, has the right to distribute electric power generated at Government-built dams, namely, the Department of the Interior.

The amendment would turn over to the Secretary of Commerce the right to establish priorities; and listen to what that

means. Suppose the Secretary of Defense decides that certain war plants ought to be built, and that a system of priorities ought to be provided as among those war plants. The amendment would give to the Secretary of Commerce the right to override the Secretary of Defense and say what the priorities shall be.

I heard members of the Committee on Armed Services vote for the amendment. I could not believe they knew what they were taking away from the Secretary of Defense, namely, the right to say what materials and equipment of war should go to one plant or another, taking away from the Secretary of Defense the right to channel goods to one particular airplane plant, and, instead, delegating that authority to the Secretary of Commerce, who knows nothing about it, and has no reason to know.

During the war we built the atomic plant at Oak Ridge, Tenn., the Manhattan project, one of the great programs of power allocation we had during the war, and the power was used in allocating top priorities to the Manhattan project. Who did it? It was done under the direction of the officials who had charge of building that plant, and not the Secretary of Commerce. The amendment would give to the Secretary of Commerce the power to make priorities and to make allocations.

It did become necessary during the war to allocate electric power. Under the amendment the Secretary of Commerce, who has no connection whatsoever with the distribution of power, according to an act of Congress, would be called upon to say what areas should "brown out," what industries, what defense industries, what war plants, the various plants under the direct supervision of the Secretary of Defense, should or should not be able to get power, and whether or not the rural cooperatives in the communities of Members of this body should be able to get power. According to the amendment, that would be under the direction of the Secretary of Commerce, and taken out of the hands of those to whom we have previously given the responsibility.

Under the bill as it is written, the President has the right and the power to call upon anyone he desires to call upon, any agency he wants to call upon, to utilize the existing agencies, or to create, if necessary, a new agency to do the job. Here it is proposed that that power be taken away from him, and the amendment provides that one man in the Government, and one man alone, shall carry on this tremendous program of priorities and allocations, and that that man shall be the Secretary of Commerce.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. WHERRY and Mr. MAYBANK addressed the Chair.

The VICE PRESIDENT. Under the unanimous-consent agreement, the mover of a motion is entitled to 5 minutes, and the chairman of the Committee on Banking and Currency is entitled to 5 minutes. But the Senator from Pennsylvania [Mr. MYERS] was recognized, and yielded his time to the Senator from Alabama. The Chair feels that the only

time left is the time allotted to the mover of the motion, and recognizes the Senator from Colorado.

Mr. JOHNSON of Colorado. Mr. President, as I stated before, the amendment deals only with materials which are, first, scarce, and, second, strategic. The Senator from Alabama has recited what happened in World War II. We had a War Production Board at that time to do the allocating, and to handle the functions which are given to the Secretary of Commerce, in part, in the amendment I have offered. Did any great disaster happen to the country because the power was placed under the War Production Board?

Mr. TAFT. If the Senator will yield, was not the allocation of power, as well as everything else, under the War Production Board?

Mr. JOHNSON of Colorado. Exactly.

Mr. TAFT. If we do not have it in one person, the man who has to build a plant will have to go to one department for priority for power, to another for steel, to another for wool, perhaps.

Mr. JOHNSON of Colorado. The very purpose of the amendment is to keep all these things together, to keep the tail with the hide, if you please, to keep them all in one place, so that when and if a War Production Board is created, those interested can go there and get their priorities in one parcel and in one package.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield to the Senator from Virginia.

Mr. ROBERTSON. Is it not true that if the war effort reaches the proportions suggested by the distinguished Senator from Alabama, we will then have price controls, wage controls, and rationing, and go from under this section to section 403, and that the amendment specifically says it shall not apply to section 403, which relates to a situation in which we have all-out mobilization, with price-fixing and wage controls?

Mr. JOHNSON of Colorado. That is correct. Section 403 is specifically exempted from my amendment by the amendment itself.

Mr. President, I do not agree that the Secretary of Commerce is an enemy. One would think it was Joe Stalin we were talking about. The amendment proposes to keep priorities and allocations together in one piece, and put them in one department. Perhaps we could have put them in some other departments, but the Department of Commerce, as I said in my opening statement, is naturally in charge of this sort of thing, so it was placed in that Department.

I assure any Senators who think otherwise that the Secretary of Commerce is not an enemy of this country. He is a patriotic member of the President's Cabinet, and I feel very certain that if the President knew about this amendment he would be for it.

Mr. LUCAS. Mr. President, will the Senator from Colorado yield?

Mr. JOHNSON of Colorado. I yield to the Senator from Illinois.

Mr. LUCAS. I can tell the Senator now that the President of the United States is not for the amendment.

Mr. JOHNSON of Colorado. Has he told the Senator he is not for it?

Mr. LUCAS. I am telling the Senator he is not for this amendment.

Mr. JOHNSON of Colorado. I was told today that the President was for this amendment.

Mr. LUCAS. The President of the United States is not for this amendment. It is a serious amendment, and what I cannot understand is why the Senator from Colorado believes that the Secretary of Commerce is in a better position to make a determination of the question of allocations and priorities than is the President of the United States.

Mr. JOHNSON of Colorado. I think Congress still has some rights. Congress is writing this bill.

Mr. LUCAS. Certainly Congress has rights, but the President of the United States is to execute the bill, and he should have some rights, too, instead of having his hands tied and the Secretary of Commerce put over the President.

Mr. JOHNSON of Colorado. This is a matter of execution. Congress is writing the law, and if Congress has to write the law, Congress should state in the law just where the tremendous powers the Senators have talked about are placed, and where they are to be handled, instead of having them distributed all over the Government, in half a dozen places, as has been suggested by those who are opposing the amendment.

Mr. KNOWLAND. Mr. President, will the Senator from Colorado yield?

Mr. JOHNSON of Colorado. I yield to the Senator from California.

Mr. KNOWLAND. Would not the Senator agree that the statement that this puts the Secretary of Commerce over the President has no validity whatever, because the President of the United States, if he were not satisfied with the action being taken, could change the Secretary of Commerce?

Mr. JOHNSON of Colorado. Of course, it has no validity at all.

Mr. WHERRY. Mr. President—

Mr. JOHNSON of Colorado. I yield.

Mr. WHERRY. I want time in my own right. I should like to be recognized to make a motion.

The VICE PRESIDENT. There are 10 seconds left.

Mr. WHERRY. Will the Senator from Colorado yield the 10 seconds to me?

Mr. JOHNSON of Colorado. I yield.

The VICE PRESIDENT. It is not necessary to yield to the Senator. A motion that is privileged can be made. It cannot be debated, however.

Mr. WHERRY. I should like to move—

The VICE PRESIDENT. The Chair has not recognized the Senator. The Chair wishes to apologize to the Senate for a mistake he made a while ago.

The Senator from Pennsylvania was not entitled to recognition under the unanimous-consent agreement. The Senator from Colorado was entitled to 5 minutes as the mover of the motion to reconsider, and the Senator from South Carolina, as chairman of the committee,

was entitled to 5 minutes on the other side. The Chair made a mistake in recognizing the Senator from Pennsylvania. The time on a motion is controlled just as it is on an amendment. The Chair is very sorry he made the mistake and apologizes.

Mr. LUCAS. Mr. President, I wish to present a parliamentary inquiry based on a hypothetical case. Let us assume the mover of the motion refuses to take the 5 minutes.

The VICE PRESIDENT. He can yield the time to some other Senator.

Mr. LUCAS. Assuming he does not yield the time to some other Senator.

The VICE PRESIDENT. The Chair cannot substitute another Senator for the chairman of the committee, if the chairman refuses to use the time.

Mr. LUCAS. But do Senators in opposition have a right to 5 minutes?

The VICE PRESIDENT. Under a strict interpretation of the agreement only the two Senators involved, the chairman of the committee, and the mover of the motion, are entitled to time.

Mr. MYERS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MYERS. Is it possible to have the yeas and nays on the vote on the motion of the Senator from Nebraska to table?

Mr. WHERRY. Mr. President, I am asking for recognition.

The VICE PRESIDENT. The Chair feels that if the Senator from Nebraska, who has been on his feet seeking recognition, desires to be recognized to make a motion which is not debatable, he is entitled to be recognized.

Mr. MYERS. The Senator from Pennsylvania has been on his feet also.

The VICE PRESIDENT. Not so long as has the Senator from Nebraska.

Mr. MYERS. Maybe not so long.

The VICE PRESIDENT. The motion is not debatable, either way the vote is taken, so what is the difference?

Mr. WHERRY. I move that the motion made by the Senator from Colorado [Mr. JOHNSON] be laid on the table.

Mr. MYERS. On that motion I ask for the yeas and nays.

The yeas and nays were ordered.

The VICE PRESIDENT. The Chair will state that those who favor tabling the motion to reconsider will vote "yea." Those who are opposed to tabling will vote "nay." The Secretary will call the roll.

The Chief Clerk called the roll.

Mr. MYERS. I announce that the Senator from Delaware [Mr. FREAR] is unavoidably detained on official business.

The Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

The Senator from West Virginia [Mr. NEELY] is paired on this vote with the Senator from Washington [Mr. CAIN]. If present and voting, the Senator from West Virginia would vote "nay," and the

Senator from Washington would vote "yea."

I announce further that if present and voting, the Senator from California [Mr. DOWNEY], the Senator from Delaware [Mr. FREAR], and the Senator from Arizona [Mr. HAYDEN] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Michigan [Mr. VANDENBERG] is absent by leave of the Senate.

The Senator from Washington [Mr. CAIN], who is absent by leave of the Senate is paired with the Senator from West Virginia [Mr. NEELY]. If present and voting, the Senator from Washington would vote "yea," and the Senator from West Virginia would vote "nay."

The result was announced—yeas 47, nays 42, as follows:

YEAS—47

Alken	Gurney	Mundt
Brewster	Hendrickson	Robertson
Bricker	Hickenlooper	Russell
Bridges	Hoey	Saltonstall
Butler	Ives	Schoeppel
Byrd	Jenner	Smith, Maine
Capehart	Johnson, Colo.	Smith, N. J.
Chapman	Kem	Taft
Cordon	Knowland	Thye
Darby	Lodge	Tobey
Donnell	McCarran	Watkins
Dworshak	McCarthy	Wherry
Ecton	McClellan	Wiley
Ferguson	Malone	Williams
Flanders	Martin	Young
George	Millikin	

NAYS—42

Anderson	Johnson, Tex.	Maybank
Benton	Johnston, S. C.	Morse
Chavez	Kefauver	Murray
Connally	Kerr	Myers
Douglas	Kilgore	O'Connor
Ellender	Langer	O'Mahoney
Fulbright	Leahy	Pepper
Gillette	Lehman	Sparkman
Graham	Long	Stennis
Green	Lucas	Taylor
Hill	McFarland	Thomas, Okla.
Holland	McKellar	Thomas, Utah
Humphrey	McMahon	Tydings
Hunt	Magnuson	Withers

NOT VOTING—7

Cain	Frear	Vandenberg
Downey	Hayden	
Eastland	Neely	

So Mr. WHERRY's motion to lay on the table the motion of Mr. JOHNSON of Colorado to reconsider was agreed to.

Mr. BRICKER. Mr. President, I call up my amendment E, and ask that it be stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 35, in line 13, it is proposed to change the period at the end of the line to a colon, and add the following proviso: "Provided, That in the consideration of any loan in the amount of or exceeding \$100,000, the lending, participating, or guaranteeing agency shall consult with and be advised by the Federal Reserve Board."

Mr. BRICKER. Mr. President—

The VICE PRESIDENT. The Senator from Ohio is recognized for 5 minutes.

Mr. BRICKER. Mr. President, one of the important functions of this entire bill relating to priorities and allocations—

Mr. FULBRIGHT. Mr. President, let me inquire what amendment the Senator is discussing.

Mr. BRICKER. It is my amendment lettered "E," and it would require consultation and advice on the part of the Federal Reserve Board before a Government loan in excess of \$100,000 is made under the provisions of this bill.

I was about to say that one of the principal purposes of the bill which provides for stepped-up production and Government priorities and control of production, is that there shall not be an extraordinary increase in prices; in other words, that there will not be price inflation.

Mr. President, the most inflationary money which I think can be spent at the present time is Government money. A balancing of the government's budget will go further toward preventing inflation than anything else which could occur.

The Federal Reserve Board already has tremendous power over the credit of the country, through the regulatory functions of the Board, especially as applied to the control of credit and controls of other kinds and characters.

This amendment provides for control over installment credit and control over real estate credit, insofar as the latter concerns new construction. In order to give the Federal Reserve Board complete control or in order to provide complete recognition of its authority in the field of inflation, I think we should include a requirement that the Federal Reserve Board shall be consulted and its advice shall be obtained in the case of all Government loans in excess of \$100,000. I think such a provision is entirely proper. It would be practical, and I think it would help effectuate one of the fundamental purposes of the bill, namely, the control of inflation.

Mr. SPARKMAN. Mr. President—

The VICE PRESIDENT. The Senator from Alabama is recognized.

Mr. SPARKMAN. The chairman of the committee is temporarily out of the Chamber, and he has asked me to substitute for him at this time.

The VICE PRESIDENT. The Senator from Alabama is recognized for 5 minutes.

Mr. SPARKMAN. Mr. President, as the Senator from Ohio has explained, his amendment would require consultation with the Federal Reserve Board, prior to the making of any production loan in excess of \$100,000 under section 302.

So far as the jurisdiction of the Federal Reserve Board is concerned, I think everyone will agree that throughout this bill we have made provision quite freely for using the services of the Board.

This amendment would place upon the Board an additional responsibility, and would mean that after the agency primarily concerned with the loan had considered the matter and had determined that the loan was necessary in connection with the national defense, the loan would have to be delayed until the Federal Reserve Board, which already has many duties to perform under this bill, could become acquainted with the facts and could make its recommendation.

Thus, the amendment would cause unnecessary delay in connection with essential defense projects, and would require duplication of effort, without commensurate increase in protection to the Government.

The matter received some discussion in the committee. I do not remember that the exact amount was named; but I have had some discussion in regard to whether or not the Federal Reserve Board should be called upon to pass upon these loans. It was the feeling of a majority of the committee that such a provision would slow down the entire program, and that the agency directly concerned with the loaning activity is the one which should pass upon the loans.

For that reason, the committee voted against giving this power to the Federal Reserve Board.

I regret that the Senator from Ohio has offered the amendment at this time. I wish he would not insist upon offering it.

However, inasmuch as he does offer it, I express the hope that the amendment will be rejected.

THE VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Ohio.

MR. BRICKER. Mr. President, have I any time left?

THE VICE PRESIDENT. The Senator from Ohio has 1½ minutes remaining.

MR. SPARKMAN. Mr. President, at this time I reserve any time remaining to me.

MR. BRICKER. Mr. President, the argument the Senator from Alabama is using in regard to this amendment—namely, that it would delay the program—is one which might well have been used, and he might well have accepted it, in regard to the proposal requiring consultation with the Federal Trade Commission and the Attorney General before there is action under the antitrust laws. I argued that that function belongs to the Attorney General and that in that connection there should not be a provision requiring consultation with the Federal Trade Commission.

In this field the Federal Reserve Board is primarily charged with jurisdiction over matters pertaining to inflation and credit. It should have control over the spending of Government money, which is the most inflationary money which can be spent. Under present conditions, such money would amount to some billions of dollars.

Therefore, the Federal Reserve Board should at least have some responsibility in connection with this matter and at least should be advised with and consulted before such a loan is made by the Government.

MR. PRESIDENT, I think we have a right to submit the amendment. I am not going to withdraw it, and I think we should have a vote on it.

MR. MAYBANK. Mr. President—

THE VICE PRESIDENT. The Senator from South Carolina has 3½ minutes, if he wishes to use them.

MR. MAYBANK. Mr. President, in view of the statement previously made

when the Chair inadvertently overlooked me and recognized the Senator from Pennsylvania, I simply wish to state that I have no quarrel with the Chair on that account.

A moment ago I was on the telephone. I wish to state that the President of the United States told me that he hoped the bill, including sections 1, 2, and 3, which he originally recommended and submitted to us, would be passed in the form in which it was sent to us.

There have been consultations for weeks with the Secretary of Commerce, Mr. Sawyer, and with Chairman Symington. Mr. Sawyer never asked for the power the Senate voted him, although, of course, the Senate has the privilege of voting to have him use such power; but the President of the United States himself would not be a party to that provision.

Although I have the greatest respect for the distinguished Senator from Colorado, I wish to make clear, in connection with the consideration of the amendment he has submitted, that neither the President nor Mr. Sawyer want any such provision included in this bill, for such a provision would hamstring the operations under the act.

The Senator has said that he spoke to the President; but I wish to say that I, also, have spoken to the President.

I know that Senators desire to write many provisions into this bill. I have had to oppose many of the suggestions which have been made.

MR. PRESIDENT, no one has any greater affection for the Senator from Ohio [Mr. BRICKER] than have I; but in my judgment, if we provide a limit of \$100,000 in this connection, such a provision will interfere with everything the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Minnesota [Mr. THYE] have had included in the bill, particularly in connection with the production of taconite and other commodities.

I am sure that any provision requiring consultation with the Federal Reserve Board in the case of loans in excess of \$100,000, loans coming out of the \$2,000,000,000, would be a bad provision. Therefore, I oppose the amendment requiring consultation with the Federal Reserve Board in regard to such loans. Such a provision would interfere with and delay operations under the bill.

MR. BRICKER. The amendment covers direct loans.

MR. MAYBANK. Of course; in the case of the matter to which the Senator from Minnesota [Mr. HUMPHREY] and his colleague, Mr. THYE, have referred, direct loans in the case of the production of taconite would be covered. The Senator from Wyoming [Mr. O'MAHONEY] has an amendment which also would be affected.

MR. HUMPHREY. Mr. President, will the Senator yield?

MR. MAYBANK. I yield.

MR. HUMPHREY. Mr. President, it appears to me that the functions of the Federal Reserve Board are in regard to broad areas of policy, not in connection with matters of specific detail.

This particular amendment will, as the chairman of the committee has so well stated, place on the Federal Reserve Board the duty of going into infinite detail, and such an amendment could hold up the processes of development and expansion which would be needed in very critical areas.

As the Senator from South Carolina has stated, the development of the production of critical materials, such as taconite, which is covered under the amendment my colleague and myself have placed before the committee, could be most adversely affected. This amendment, if adopted, would cause a great deal of delay in that connection and would place upon the Federal Reserve Board a duty which I think it is not set up to handle.

Of course, it is proper for the Federal Reserve Board to have jurisdiction over the broad areas of Government credit control and finance control; but the amendment now before us relates to a different kind of lending problem, one which is beyond the active workings of the Federal Reserve Board.

Therefore I think the amendment should be rejected.

MR. FULBRIGHT. Mr. President, if the Senator will yield, I wish to say that I think he is quite correct in saying that the Federal Reserve Board is not equipped to pass on individual loans at the present time, whereas it is equipped to handle matters of policy, to which I shall refer later in connection with an amendment of my own.

I wish to call attention to the fact that the bill already contains a provision in regard to power or control in the mortgage field. That field is within the jurisdiction of the Federal Reserve Board, and it is able to handle that matter, but not the matter covered by this amendment.

MR. HUMPHREY. I agree entirely with the Senator from Arkansas.

THE VICE PRESIDENT. All time has expired.

The question is on agreeing to the amendment of the Senator from Ohio [Mr. BRICKER]. [Putting the question.] The "noes" appear to have it.

MR. WHERRY. I ask for a division. On a division, the amendment was rejected.

MR. TAFT. I offer an amendment. It is my amendment Y, slightly amended.

THE VICE PRESIDENT. The Secretary will state the amendment.

THE LEGISLATIVE CLERK. On page 36, it is proposed to strike out lines 20 to 25 and on page 37, lines 1 to 20, and insert the following:

(b) There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of section 303, and pending the making of such appropriations, any department, agency, official, or corporation utilized pursuant to this section is authorized subject to the approval of the President to borrow from the Treasury of the United States such sums of money as may be necessary to carry out its functions under this title, provided that the total amount so borrowed under the provisions of this section by all such borrowers shall not exceed an aggregate of \$100,000,000 at any one time.

The VICE PRESIDENT. The Senator from Ohio is recognized for 5 minutes.

Mr. FERGUSON. Mr. President, will the Senator from Ohio yield for a brief statement?

Mr. TAFT. I ask unanimous consent that, without losing time, I may permit the Senator from Michigan to make a brief statement withdrawing an amendment.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. FERGUSON. Mr. President, I ask unanimous consent that we may withdraw the subversives-control amendment offered by me and Senator MUNDT, of South Dakota.

The VICE PRESIDENT. The Chair advises the Senator from Michigan that it is unnecessary to do that, since the amendment has never been offered, but has merely been ordered to be printed and to lie on the table.

Mr. FERGUSON. Mr. President, if I may be permitted, I should like to make this statement: After a conference with the senior Senator from Nevada I ask permission for myself and on behalf of the Senator from South Dakota [Mr. MUNDT] and the Senator from South Carolina [Mr. JOHNSTON] to withdraw and not to propose or ask to be voted upon, as an amendment, the Mundt-Ferguson-Johnston bill. It has been agreed that the Senator from Nevada will accept certain amendments to his bill which substitutes the identical language of the Mundt-Ferguson-Johnston bill, and, therefore, there will be a vote, under the agreement of the senior Senator from Illinois, upon that particular bill (S. 2311). The sponsors of the amendment are satisfied with that agreement. It was the desire of the sponsors of S. 2311, the subversives-control bill, to have an early vote on that bill. This procedure will now assure such a vote.

The VICE PRESIDENT. The Senator from Michigan announces that the Mundt-Ferguson-Johnston bill will not be offered as an amendment to the pending bill.

Mr. FERGUSON. That is correct.

The VICE PRESIDENT. The Senator from Ohio is recognized.

Mr. McCARRAN. Mr. President, will the Senator yield for about a minute, that I may make a brief statement in connection with the statement made by the Senator from Michigan?

Mr. TAFT. I ask unanimous consent that I may yield to the Senator from Nevada, without having the time charged to me.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. McCARRAN. Mr. President, the situation is simply this: In drafting my bill (S. 4037) I made certain changes in the language of the Mundt-Ferguson-Johnston bill, primarily for the purpose of integrating the provisions of that bill with the provisions of other measures which were included. My purpose was not to weaken or change in any material respect the provisions of the Mundt-Ferguson-Johnston bill, but to carry them forward into the omnibus measure.

In two or three respects the Senators whose names appear on the Mundt-Ferguson-Johnston bill have expressed the desire that changes which I made should be eliminated so as to conform the language of my bill precisely to the language of the Mundt-Ferguson-Johnston bill. Since my objective, with respect to those provisions of my bill which were, as I have openly asserted, taken from the Mundt-Ferguson-Johnston bill, has been the same objective as that of the Senators whose names appear on the Mundt-Ferguson-Johnston bill, I have been happy to agree to accept the proposed amendments when my bill comes up in the Senate.

Let me stress the fact that none of these proposed amendments will in any way weaken the bill, and that the net effect of these amendments will be to have my omnibus bill include the text of the Mundt-Ferguson-Johnston bill, more precisely in conformity with the text of that bill as it was reported from the Committee on the Judiciary and as it now stands on the Senate Calendar.

The VICE PRESIDENT. The Chair wishes to state that, once an amendment is offered to the pending bill, the question of accepting it is one for the Senate. However, a Senator may modify his own amendment, without unanimous consent. If it is a question of agreeing to an amendment which is not a part of the bill, it would have to be acted upon by the Senate.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. TAFT. Mr. President, I ask unanimous consent that, for the same purpose, I may yield to the Senator from South Dakota, without having the time charged to me.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MUNDT. Mr. President, I simply want to express my appreciation to the chairman of the Judiciary Committee for working, along with the Senator from Michigan, the Senator from South Carolina [Mr. JOHNSTON] and myself, to effect this agreement, whereby, under the schedule announced by the majority leader today, the Senate will have an opportunity to vote on the provisions of Senate bill 2311, precisely as they will now be included as title 1 of S. 4037. We all believe that this will be a better arrangement than to try to limit debate to 5 minutes to each side on a measure so important as subversive activity control legislation. I am completely satisfied with the agreement that has been effected.

Under terms of the agreement just reached with the chairman of the Judiciary Committee [Mr. McCARRAN] the exact text of the Mundt-Ferguson-Johnston bill is to be substituted for the language in title 1 of S. 4037. Thus the Senate is now assured of an opportunity to vote on the provisions of S. 2311 as part of that omnibus security bill and there no longer is reason to insist upon a vote today on our amendment which would have added it to the pending measure. It is with this understanding that we are now withdrawing our amendment.

The VICE PRESIDENT. The Senator from Ohio is recognized for 5 minutes.

Mr. TAFT. Mr. President, one of the most extreme powers given in this bill is that which permits the President, under section 303, to go into any business he chooses, and to borrow up to \$2,000,000,000 to support such business. Personally I questioned whether it was necessary, whether we should not specify the particular things the Government itself might go into. Personally it seemed to me there were enough private facilities available to manufacture what might be required. It is claimed, however, that, as was the case in World War II in connection with the building of synthetic rubber plants, there may be things which the Government must do. So, while I am not suggesting that we change this power, nevertheless it is an extreme power. It seems to me that it ought to be not the subject of borrowing by the President up to \$2,000,000,000, but it ought to be the subject of appropriation. So, the amendment which I offer, amendment Y, in which a typographical error occurred in the printing and which has been corrected, provides:

There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of section 303—

There is no limitation which Congress may appropriate—

and pending the making of such appropriations, any department, agency, official, or corporation utilized pursuant to this section is authorized subject to the approval of the President to borrow from the Treasury of the United States such sums of money as may be necessary—

Which shall not exceed the sum of \$100,000,000 at any one time. That is the provision which we placed in certain acts such as the ECA, in order that there may be no delay while the Senate or the Congress is considering the appropriation.

That seems to be a reasonable provision. I cannot understand why this tremendous power should be given. As written, and once the bill is passed, the President may spend \$2,000,000,000 for any purpose, on anything he wants, without ever coming back to Congress. He is authorized to borrow it from the Secretary of the Treasury. The Treasury is authorized to purchase the obligations and to use as a public-debt transaction the proceeds of the sale of any securities issued under the Second Liberty Loan Act. It seems to me that the \$2,000,000,000, assuming that it is necessary to have it, certainly ought to be subject to appropriation by Congress. My amendment is not a cutting down, I say, of the \$2,000,000,000 to \$100,000,000. It simply puts in that convenient provision which has been in the ECA and other acts, in order that the delay in the appropriation may not completely stop the process.

It seems to me, Mr. President, that there should be no reasonable objection to the amendment. It gives authority for Congress to appropriate any amount it sees fit to appropriate, but the agency will have to come to Congress to present

its projects. If huge projects requiring \$30,000,000,000 are required for the Army, and that matter is subject to appropriation, why not the \$2,000,000,000 required for the construction of plants?

Mr. MAYBANK. Mr. President, we have given consideration to the amendment. I know that my colleague and friend from Ohio will agree that the amendment changes the method of obtaining funds for the lending and procurement activities under sections 302 and 303.

Under the bill as reported the agencies which would act under these sections would be authorized to borrow up to \$2,000,000,000 from the Treasury for these purposes. No appropriations would be required.

Under the amendment, no special provision would be made for loans under section 302, and these could presumably be made only out of moneys hereafter appropriated for the purpose. The amendment would also require the general use of appropriated moneys for activities under section 303. However, a special \$100,000,000 fund would be provided, to be borrowed from the Treasury, pending the making of appropriations.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. TAFT. Mr. President, I have no objection to inserting section 302 to carry out the purposes of that section, and section 303, and, with the Senator's permission, I shall modify my amendment for that purpose. It was not an intentional omission.

Mr. MAYBANK. I appreciate the statement of the Senator.

Time is of the essence in the defense effort. We cannot afford to delay the start of increases in production and productive capacity until appropriations are granted, either in any amount under section 302 or, under section 303, for more than \$100,000,000. To do so would only retard the defense effort and increase inflationary pressures during the period of delay.

I digress for a moment, Mr. President, to say that, as a member of the Appropriations Committee, I appreciate that many Members on the other side of the aisle have done more than I have done to expedite the omnibus appropriation bill. But that bill is not here. Requests have not yet been heard in connection with the deficiency bill. It is almost the first of September. No one has a greater respect for the committee than I have, especially for its distinguished chairman. The conference on the bill has not yet been concluded, and I do not know how long it will take.

The public interest would be preserved through the activities of the special committee established under this bill. I count upon this committee to study the programs and to advise the Congress if the intention of the Congress is not being carried out.

For this reason, Mr. President, and because I am a member of the Appropriations Committee and have the deepest appreciation of the difficulties confronting the committee in its one-package

bill, I am not certain that the amendment is a wise one.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. KNOWLAND. Does not the able Senator from South Carolina agree that when we are placing in the hands of the executive branch vast powers in the wartime emergency with which we are faced, the people expect Congress, at least, to keep control of the purse strings, and inasmuch as we are going to have an additional supplemental appropriation bill before us, why is not the administration in as competent a position to ask for what it can justify before the committee, instead of asking for a blank check which requires no legislative action whatever?

Mr. MAYBANK. Mr. President, that is a very good statement for the Senator from California to make, and I appreciate his sincerity and honesty in making it. He has asked me a double-barreled question in his statement. We have given the President the right to keep the boys in the Army for 1 year longer than the period for which they signed. We have given the Commander in Chief the right to call out the National Guard or any other organization, and we have given certain rights in all these matters. I hope the \$2,000,000,000 can be scrutinized and carefully looked after, rather than to have to wait for the Senate and the House of Representatives to act. I say that with the deepest respect. I was not a supporter of the one-package appropriation bill. It takes forever to get through with it. We have passed joint resolutions extending appropriations from June 30 to July 31 and from July to August, and I am not at all certain that the appropriation bill will be finished in September, in spite of all the efforts of the Senator from California [Mr. KNOWLAND], the Senator from Nebraska [Mr. WHERRY], and the Senator from Tennessee [Mr. MCKELLAR] to get it through.

The VICE PRESIDENT. The time of the Senator has expired.

The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. TAFT], as modified. [Putting the question.] The "noes" seem to have it.

Mr. WHERRY and other Senators asked for a division.

The VICE PRESIDENT. On the division, there is a tie vote, and the amendment is not agreed to.

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays.

The VICE PRESIDENT. The Chair has announced the result. The request of the Senator comes too late.

Mr. HUNT. Mr. President, I wish to call up my amendment which is designated "8-17-50-H," and ask that it be stated.

The VICE PRESIDENT. The Secretary will state the amendment offered by the Senator from Wyoming.

The LEGISLATIVE CLERK. On page 37, line 24, beginning with the word "tin," it is proposed to strike out through the first comma in line 1, on page 38.

Mr. HUNT. Mr. President, this amendment simply deletes the word "tin" in section 305. I suggest that deletion because only a few days ago, less than 10 days ago, we sent to the President, and he has signed, a bill providing for an extension of 5 years wherein the tin smelter plant will be under the jurisdiction of the RFC.

Mr. President, I do not think section 305, as a whole, has any proper place in this bill. This is a control bill; it is not a reorganization bill.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. HUNT. I yield.

Mr. JOHNSON of Texas. I agree with the statement made by the Senator. I was hoping that he would broaden his amendment to strike out the entire section as the Senator from Wyoming has stated, this is not a reorganization bill. There is a critical situation in rubber and tin. The rubber and tin production programs are being well administered at this time by the Reconstruction Finance Corporation and there is no earthly reason for confusing the whole situation at this time by reorganizing and transferring these functions elsewhere.

I hope the chairman of the committee will accept the amendment.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. HUNT. I yield.

Mr. MAYBANK. Mr. President, I should like to use some of my time, so that I shall not interfere with the Senator from Wyoming.

The VICE PRESIDENT. The Senator will be entitled to recognition when the Senator from Wyoming has concluded.

Mr. HUNT. Mr. President, the junior Senator from Wyoming is agreeable to accepting the amendment to my amendment suggested by the Senator from Texas, if he cares to submit such an amendment. Does the Senator care to have my amendment so modified?

Mr. JOHNSON of Texas. Yes; I should like to do so.

The VICE PRESIDENT. The Senator from Wyoming may modify his own amendment, if he so desires.

Mr. HUNT. I shall accept the amendment offered by the Senator from Texas as a modification of my amendment.

Mr. CAPEHART. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. Does the Senator from Wyoming yield for a parliamentary inquiry?

Mr. HUNT. I yield.

The VICE PRESIDENT. The Senator will state it.

Mr. CAPEHART. Are we now considering striking all of section 305?

Mr. HUNT. Yes, I am addressing myself particularly to the matter of tin. As I stated a short time ago it is no more than 10 days ago that we sent to the White House, and it is now an act, a bill providing for a 5-year extension for the tin smelter plant. We are all aware of the fact that by a voice vote we defeated Reorganization Plan No. 24, which would have done exactly what section 305 is designed to do. To the best of my

knowledge the RFC is doing a splendid piece of work in connection with the tin smelter plant, and I can see no reason whatsoever for this section of the bill.

Mr. President, I think this section is a sort of meat ax approach to the matter, in an attempt to do by indirection what the Senate has refused to do directly only recently.

Mr. MAYBANK. Mr. President, has the Senator concluded?

The VICE PRESIDENT. Does the Senator yield?

Mr. HUNT. I yield.

Mr. MAYBANK. As I understand, perhaps a month ago or 3 weeks ago the Committee on Banking and Currency referred to the Committee on Armed Services a bill with respect to tin, which the Committee on Armed Services handled, and which the distinguished Senator from Ohio looked at before the bill was finally approved by the Senate. I understand it went to the President for signature.

Mr. HUNT. Yes.

Mr. MAYBANK. That bill extended the period for 5 years.

Mr. HUNT. Yes.

Mr. MAYBANK. As I understand, there are certain other Government agencies and corporations which are under RFC. I appreciate that certain criticism has been directed against the RFC, but such criticism has nothing to do with the matter involved here. I am hopeful that the entire section will be stricken. I discussed the subject with the chairman of the RFC subcommittee, the Senator from Arkansas [Mr. FULBRIGHT], and I think he will agree with me that rubber, tin, and the other materials should not be in the bill.

Mr. FULBRIGHT. This principle was proposed under Reorganization Plan No. 24. I understood the administration to be particularly interested in it, but I have no feeling about it. I think it would be quite agreeable to leave it where it is. Although I sponsored the amendment in committee, I do not think it important enough to have it stay in the bill. It grew out of Reorganization Plan No. 24. I assume there were worthy reasons for it, although I see no particular reason for objecting to its being taken out.

The VICE PRESIDENT. The Senator from Wyoming [Mr. HUNT] modifies his amendment to provide for striking out section 305. The question is on agreeing to the amendment offered by the Senator from Wyoming, as modified.

The amendment, as modified, was agreed to.

Mr. TAFT. Mr. President, I move to reconsider the vote by which my amendment "Y" was rejected.

The VICE PRESIDENT. The question is on the motion of the Senator from Ohio to reconsider the vote by which the amendment he offered a short time ago was rejected.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MAYBANK. Will there be any debate on the motion to reconsider?

The VICE PRESIDENT. Five minutes is allowed to each side.

Mr. TAFT. There was one misunderstanding with regard to the amendment which I wish to correct. Many Senators thought that I was cutting the \$2,000,000,000 to \$100,000,000. That is not what the amendment proposes to do. It simply says that this particular spending of \$2,000,000,000, or any amount of it, for the purpose of having the Government go into business to build, construct, and operate plants shall be subject to appropriations made by the Committee on Appropriations. There is no limitation provided in the amendment as to what the Committee on Appropriations may appropriate. They may appropriate any amount they wish to appropriate. The \$100,000,000 figure simply relates to money which may be borrowed temporarily in case there is a delay in the Committee on Appropriations in making appropriations, as the Senator from South Carolina has indicated there may be. It seems to me that the Senate might well accept this amendment. There is no change in the general principle of control or the general principle involved in the bill.

Mr. MAYBANK. I should like to make one point clear.

The VICE PRESIDENT. The Senator from Ohio has not yielded.

Mr. TAFT. It seems to me perfectly clear that if the Committee on Appropriations can appropriate \$30,000,000,000 for the armed services, it can appropriate \$2,000,000,000 more for the purpose of enabling the Government to go into business. I can see no reason why a distinction should be made.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MAYBANK. Unfortunately this year we had a single-package appropriation bill. Previously we had separate appropriation bills.

Mr. TAFT. If there is an emergency, Congress could act fast. We will get estimates. We have already received estimates from the President for \$16,000,000,000 additional being required for military purposes. The committee would act in such a case, and both Houses would act, within 2 weeks from the time the President sent those estimates in. Why could we not do the same thing in this situation?

Mr. FULBRIGHT. Is it not a matter of Congress taking a look at what is going to be spent before it is spent?

Mr. TAFT. The Senator is correct. I see no reason why we should exempt this particular sum from action by the Committee on Appropriations. That is what this section now does.

Mr. WHERRY. Mr. President, we would not only take a look at the authorization, but it would go through legislative committee which are set up for that very purpose. It would come to the Committee on Appropriations, where it rightfully should come. If this amendment is not adopted we would be bypassing the legislative committees which are set up for the purpose of considering appropriations.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. ANDERSON. The Senator made the statement that his amendment would not cut the \$2,000,000,000. The last three lines of his proposed amendment read:

Provided, That the total amount so borrowed under the provisions of this section by all such borrowers shall not exceed an aggregate of \$100,000,000 at any one time.

Mr. TAFT. Under the original bill it was all borrowed. There was no provision which would let it go to the Appropriations Committee. Once we pass the bill we never hear any more about it. The President can borrow and spend \$2,000,000,000 without coming back to Congress. My amendment changes the whole theory. It says that Congress must appropriate for this section, just as it must appropriate for every other purpose or section. The \$100,000,000 is provided so that if there is a delay in the appropriation, and an emergency exists, the President can borrow up to \$100,000,000 to be repaid when the appropriation comes through. That is the only reason for providing the \$100,000,000. The appropriation authority is unlimited. There is no limit on the appropriation authority, but we do retain in the Committee on Appropriations the right to say whether the Government may go ahead and construct the large synthetic-rubber program, or a large program for the manufacture of gasoline, airplanes, or some other program. It seems to me there should be such a check upon the Government before it goes into business. It is a very slight check.

Mr. MAYBANK. As the Senator from Ohio knows—

Mr. TAFT. I wonder if the Senator would not take the amendment to conference. It is really a matter of procedure more than anything else.

Mr. MAYBANK. The Senator's statement is absolutely accurate. We have already gotten together on section 203. I wonder if the Senator believes that \$100,000,000, in the event that we are involved in a real emergency, is not a rather low figure.

Mr. TAFT. I would be willing to raise it to \$250,000,000, or something in that neighborhood. This represents only what would be spent. It is hardly possible to spend \$100,000,000 in a hurry. This is only money which would be spent while the Committee on Appropriations was acting on an emergency request.

Mr. MAYBANK. Why not make it \$300,000,000?

Mr. TAFT. Three hundred million dollars. Very well.

Mr. MAYBANK. I have no right to speak for anyone except myself.

Mr. TAFT. Mr. President, I modify my amendment to strike out "\$100,000,000" and insert "\$300,000,000."

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Ohio [Mr. TAFT] to reconsider the vote by which his amendment "Y" was rejected.

The motion was agreed to.

Mr. TAFT. Mr. President, I modify my amendment in accordance with my understanding with the Senator from South Carolina. I modify my amendment by striking out "\$100,000,000", and inserting in lieu thereof "\$300,000,000."

The VICE PRESIDENT. The clerk will state the amendment as modified.

The LEGISLATIVE CLERK. On page 36, it is proposed to strike out lines 20 to 25 and on page 37, lines 1 to 20 and insert the following:

(b) There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of section 303 and pending the making of such appropriations. Any department, agency, official, or corporation utilized pursuant to this section is authorized subject to the approval of the President to borrow from the Treasury of the United States such sums of money as may be necessary to carry out its functions under this title, provided that the total amount so borrowed under the provisions of this section by all such borrowers shall not exceed an aggregate of \$300,000,000 as any one time.

The VICE PRESIDENT. The question is on agreeing to the amendment, as modified, offered by the Senator from Ohio.

The amendment, as modified, was agreed to.

Mr. MAYBANK. Mr. President, will the Senator from Ohio state whether there has been agreement on the other amendment?

Mr. BRICKER. I shall not call up the amendment covering the same subject.

Mr. MAYBANK. The amendment, as amended, retains sections 302 and 303, does it not?

Mr. TAFT. Sections 302 and 303; yes.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Ohio, as modified.

The amendment, as modified, was agreed to.

Mr. KEM. Mr. President, I call up my amendment B.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 46, between lines 18 and 19, it is proposed to insert the following:

(k) No rule, regulation, order, or price schedule issued under this act shall require any seller of materials or property to limit, average, or apportion his sales among price ranges on the basis of any average or apportionment of sales made at any prior time.

Mr. KEM. Mr. President, the purpose of the amendment is to forbid what has been known as the maximum average pricing, or the so-called MAP, that was put into effect by the War Production Board and the OPA under the old law. This program requires each seller of merchandise to sell exactly the same amount or quantity of merchandise in each price range to each customer as the seller had done in the base period.

When this regulation was proposed under the OPA there was immediate protest all over the country. A House committee, under the chairmanship of Representative HOWARD W. SMITH of Virginia, held extensive hearings, and recommended that the pricing program be forbidden. Later a Senate commit-

tee also held hearings, as the result of which in the second session of the Seventy-ninth Congress a bill was passed to prevent this program being put into effect.

Of course, the result of the proposal is very plain. Its effect can be illustrated by an example. In 1945 great numbers of white shirts accumulated in the hands of manufacturers. They were unable to sell the shirts and put them into channels of trade because they were unable to manufacture shirts of cheaper quality which would meet the necessities of the maximum average pricing.

It has been suggested that under the bill as drawn, maximum average pricing would be possible, and the purpose of the amendment is to restore to the bill the provision which was adopted by the Congress with respect to the old OPA law.

Mr. MAYBANK. Mr. President, I understood that the very able Senator from Missouri had reference to an old OPA law, as I talked with him once about the amendment. He did not tell me that, of course, but I checked, and I should like to state what the result would be. If the Senator differs with me, I should like to have him tell the Senate. One thing I do not think we can do on the Senate floor is to legislate OPA regulations into the bill. The Senator himself said that the amendment was an amendment against an OPA regulation.

Mr. KEM. No; I failed to make myself clear. I am asking the Senate to do exactly what the Senate and House did in the second session of the Seventy-ninth Congress with reference to the previous OPA law. There is no difference at all. We passed this as a law once.

Mr. MAYBANK. It was a regulation.

Mr. KEM. No; it was a law, a law passed by both Houses of Congress and signed by the President.

Mr. MAYBANK. Mr. President, this amendment would prevent the President from issuing a regulation which would prohibit a seller from shifting his average price line or from keeping the same proportion of sales in various price lines. For example, a seller might long have been selling shirts in the \$2 to \$5 range, perhaps a quarter of his sales being at each of the prices \$2, \$3, \$4, and \$5. It might be found advisable to prevent him from shifting his business to the \$5 line, abandoning the cheaper lines.

Such a shift would not be a direct violation of the price ceiling established on the \$5 shirt, but the effect on the consumer would be much worse than an increase to \$2.50 in the price of the \$2 shirt.

Regulations of this sort could not, of course, require a person to sell if he did not want to. That is the complaint I have. Section 406 of the pending bill, I say to the distinguished Senator from Missouri, expressly prohibits any requirement of making a sale. But such regulations could prevent a person from so changing his line of business as to defeat the purpose of the bill.

In other words, Mr. President, the Senator's intention is absolutely commendable, and I admire his purpose, but from the legal standpoint, such

regulations could prevent a person from so changing his line of business as to defeat the purposes of the bill.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield to the Senator from New Mexico.

Mr. ANDERSON. Does the Senator remember that this is the provision which caused us more difficulty in the OPA regulations than any other? A manufacturer of farm machinery would paint a stripe around a piece of material and put it into a wholly different category from that it was previously in. He was therefore permitted to go into all sorts of new price schedules. It was an amendment adopted at the time when we were nearing the end of OPA and were working out of regulation.

Mr. MAYBANK. The interpretation of it and the way it worked was what led to difficulties.

Mr. ANDERSON. It led to all sorts of difficulties all the way through, and would again.

Mr. KEM. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. I yield to the Senator from Missouri.

Mr. KEM. I desire to ask the Senator from South Carolina if it is not true that the regulation as put into effect by the OPA was found to be entirely unworkable, and if Congress did not intervene and pass a law to prevent the regulation being carried out, as the result of experience, careful investigation, and painstaking consideration of the whole situation?

Mr. MAYBANK. The Senator is absolutely correct. Many of the orders issued by the OPA were unworkable. But it would be incumbent that those affected be consulted before any such regulations could be put into effect again. The Senator from New Mexico has explained the difficulties experienced, and he was at the head of the Department of Agriculture at the time, a Cabinet officer. I believe that what the Senate from Missouri desires to have done cannot be done. I know that merchants would put an extra stripe in a collar and change the brand, and, as the Senator from New Mexico suggested, farm machinery could be painted with a red line instead of a black line.

Mr. KEM. I should like to ask the Senator from New Mexico whether when he was in the President's Cabinet he presented his view about this matter to the House committee and the Senate committee, which had extensive hearings on it, and, after careful consideration, decided that the maximum average pricing plan was not workable, and forbade it being used.

Mr. ANDERSON. I am sure that trying to handle this question by legislation certainly proved to be extremely difficult all the way through.

Mr. KEM. Did it not prove to be extremely difficult when the OPA undertook to make it work?

Mr. ANDERSON. Yes; I think it was very difficult for everybody.

Mr. KEM. Is it not better to withdraw the matter from the realm of impossibility by taking it to conference?

The VICE PRESIDENT. The Senator's time has expired. All time has expired.

Mr. KEM. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were not ordered.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Missouri [Mr. KEM].

The amendment was rejected.

Mr. THYE. Mr. President, while the Senator from Colorado [Mr. MILLIKIN] is getting himself into place to speak, may I ask a question?

The VICE PRESIDENT. The Senator from Colorado is in place.

Mr. THYE. To save time, may I ask a question of the able Senator from South Carolina, the chairman of the committee?

The VICE PRESIDENT. Will the Senator from Colorado displace himself momentarily and yield for that purpose?

Mr. MILLIKIN. Yes.

Mr. THYE. The able Senator from South Carolina again has referred to a provision of the bill under which hearings must be held, at which interested parties can be heard before any regulation is imposed. My question of the Senator from South Carolina is: Is the provision to which he referred to be found on page 74, under section 709?

Mr. MAYBANK. That, I think, is one provision. There are several provisions.

Mr. THYE. There has been considerable question in the minds of many with respect to this provision. Some feel that it is so vague that the section could be put aside and not considered; that no hearings would be required under it on the part of the administrator at which the related industries could appear, before regulations would be imposed. My only reason for asking the question is in the attempt clearly to define whether the provision of the bill found on page 74 under section 709 is the provision with respect to which the Senator from South Carolina stated to the Senate that under a provision in the bill the administrator must hold hearings and permit the interested parties to be heard.

Mr. MAYBANK. The Senator has asked me a question which would take quite a little time to answer. I do not know whether the time is now being charged against the Senator from Colorado.

The VICE PRESIDENT. It is. He soon will have no time left.

Mr. MAYBANK. Three answers can be found to the question. I shall be glad to discuss the matter with the Senator from Minnesota when we may have 5 minutes of our own to do so, and not take the time of the Senator from Colorado now.

Mr. THYE. I thank the distinguished Senator from South Carolina.

Mr. MILLIKIN. Mr. President, I call up my amendment dated August 18, 1950, lettered "P" which I offer and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The legislative clerk proceeded to state the amendment.

Mr. MILLIKIN. Mr. President, unless some Senator wishes to hear the amendment read in full, I ask unanimous consent that the remainder of the amendment not be read, but that the amendment be printed in the RECORD in full at this point.

The VICE PRESIDENT. The Senator from Colorado has asked unanimous consent that the reading of the amendment be waived and that the amendment be printed in the RECORD in full at this point. Is there objection? The Chair hears none, and it is so ordered.

Mr. MILLIKIN's amendment is as follows:

On page 32, between lines 16 and 17, insert "Subtitle A—General Expansion."

On page 35, line 23, before the period, insert a colon and the following: "Provided further, That the provisions of this section shall be without prejudice to, and shall be administered consistently with, subtitle B of this title."

On page 36, line 21, after the word "section", insert the following: "or pursuant to subtitle B of this title."

On page 38, between lines 9 and 10, insert the following:

"SUBTITLE B—METALS AND MINERALS

"SEC. 311. (a) It is the policy of the Congress that every effort be made to stimulate exploration for and conservation of strategic and critical metals and minerals and other essential metals and minerals by private enterprise to supply the industrial, military, and naval needs of the United States, and that every effort be made to encourage the development and maintenance of sources of these metals and minerals within the United States in order to decrease and prevent, wherever possible, a dangerous and costly dependence by the United States upon foreign nations for supplies of such materials. To this end it is the further policy of the Congress that every effort be made to maintain a sound and active mining industry within the United States; to expand exploration for those ores and other mineral substances which are essential to the common defense or the industrial needs of the United States; and to prevent the discontinuance of mine operations under such circumstances as to make it probable that production would not or could not be resumed when needed for the national economy or security.

"(b) In carrying out these policies small mining enterprises shall be encouraged to apply for aid under this subtitle, and for this purpose the Secretary of the Interior shall provide small mining enterprises with full information concerning this subtitle, and shall make special provision for expeditious handling of applications from small mining enterprises.

"SEC. 312. A Minerals Conservation Board, consisting of the Secretary of the Interior, the Secretary of Defense, the Secretary of Commerce, and the Secretary of the Treasury, is hereby established. The Secretary of the Interior shall be the executive chairman of the Board. The members of the Board may delegate their powers, functions, and duties, including those relating to appeals, to suitable officers of their respective agencies.

"SEC. 313. To carry out the policy of this subtitle, the Board shall by regulation determine—

"(a) the amount of money to be allocated to the aid of exploration, on the one hand, and to the aid of conservation, on the other hand;

"(b) the amount of money to be allocated to the aid of exploration for any metal or mineral or group of metals or minerals, as specified by the Board;

"(c) the amount of money to be allocated to the aid of conservation of any metal or mineral or group of metals or minerals, as specified by the Board;

"(d) the maximum price or the minimum price, or both, which may be paid for the purchase of any metal or mineral for conservation: *Provided*, That adequate allowance shall be made for depletion and depreciation in computing costs of operation or maintenance;

"(e) the maximum amount or the minimum amount, or both, which may be paid on account of participation in the costs of maintenance for conservation with respect to any metal or mineral;

"(f) the maximum amount or the minimum amount, or both, which may be paid to any producer or class of producers on account of exploration for any metal or mineral or group of metals or minerals, and the ratio which the Government's contribution for exploration shall bear to the contribution of any producer or class of producers for exploration;

"(g) the particular metals or minerals or ores thereof and specifications therefor that shall be eligible for aid for conservation;

"(h) the particular metals or minerals that shall be eligible for aid for exploration; and

"(i) the time limits or dates within which contracts for aid for conservation shall terminate.

"SEC. 314. (a) The Board shall promulgate such rules and regulations as may be necessary to carry out its functions and duties under this subtitle, and to provide fair and equitable treatment for all applicants for aid.

"(b) The Secretary, subject to the rules and regulations of the Board, may prescribe rules and regulations for carrying out the provisions of this subtitle and which must be complied with by applicants for contracts under the provisions of this subtitle.

"(c) The Secretary may delegate any of his functions under this subtitle.

"(d) All rules and regulations issued under the authority contained in this section shall be published in the Federal Register.

"SEC. 315. (a) Any producer may file with the Secretary an application for financial aid in carrying out a specified project for exploration or financial aid to conserve a deposit of ores or minerals. An application to conserve may be either for aid by participating in the costs of maintaining the property in stand-by condition or by purchasing all or any part of the metals or minerals resulting from production from such deposit. The application and the project for aid disclosed by the application must conform to the express policy and provisions of this subtitle and with the rules and regulations of the Board and of the Secretary: *Provided, however*, That simple contracts covering exploration projects shall be awarded upon application to small base metal mines and such contracts shall provide for the payment by the United States of one-half of the total reasonable costs of all tunnels, shafts, winzes, and raises in such a mine if the application or examination discloses that there is a reasonable promise of developing unknown or undeveloped sources of metals or minerals. All contracts covering exploration projects shall contain provisions for repayment to the United States of sums paid by the United States pursuant thereto, liability for such repayment to be limited to payment of a reasonable portion of profits accruing from production resulting from such exploration.

"(b) The Secretary shall cause qualified mining engineers, geologists, and any other necessary technicians to make examination of and to report on each application, and to certify it to the Secretary either for acceptance, as presented or subject to speci-

fied modifications, or for rejection. In the case of a project for exploration, the examining experts shall certify whether the project offers reasonable promise of discovering known or undeveloped sources of metals or minerals. In the case of a project for aid to conserve a deposit of ores or minerals, either by participating in the costs of maintaining the property in stand-by condition or by purchasing all or any part of the metals or minerals resulting from production from such deposit, the examining experts, considering economic and practical factors, shall certify whether the project offers reasonable promise of maintaining in stand-by condition or in production, as the case may be, a property the production from which would, in the absence of financial aid by the United States, be discontinued or remain discontinued under such circumstances as to make it probable that for economic or technical reasons such production would not or could not be resumed when needed for the national economy or security.

"(c) The Secretary shall either accept and approve the application, subject to any modification therein which he may require, or he shall reject it: *Provided*, That if the Secretary's action on the application conflicts with the recommendation and certification of the examining experts, he shall refer the application to the Board; and the Board shall either confirm and approve the action of the Secretary, or shall reverse it, or shall direct the Secretary to reconsider it. Confirmation or reversal of the Secretary's action by the Board shall be final, and direction to reconsider shall place the application in the same status it was in before action upon it by the Secretary. If the Secretary accepts the application, either in its original or modified form, the terms of the application and acceptance shall be merged in a formal, written contract. Any applicant who is dissatisfied with the decision of the Secretary upon his application, may at any time within 30 days after receipt of notice of the decision, unless further time is granted by the Board, appeal to the Board, and the Board, as expeditiously as possible, shall review the entire matter, make its findings thereon, and notify the applicant of its decision, which shall be final.

"(d) All metals or minerals purchased under the provisions of this section, or such equivalent quantities thereof as may be permitted by the contract with the producer, shall be delivered by the producer to and shall be received and paid for by the Administrator of General Services at such places and times as may be provided in the contract. The Administrator shall from time to time, and in any event before selling them in the open market, notify the Munitions Board of the inventory of metals or minerals held by him under the provisions of this subtitle and shall continue to hold all metals or minerals received by him under this subtitle until at least 60 days after he has given the Munitions Board notice that they are so held. The Munitions Board may, as long as any such metals or minerals are held by the Administrator, (1) direct the Administrator to transfer any of them to the national security stockpile in accordance with the provisions of the Strategic and Critical Materials Stock Piling Act, as amended (53 Stat. 811, 60 Stat. 596), or (2) within 60 days after such notice from the Administrator direct him to hold any such metals or minerals listed in the notice until 60 days after the next succeeding appropriation for purchases for the stockpile has become available. Unless notified by the Munitions Board to either transfer any of such metals or minerals or to continue to hold them as provided in this subsection, the Administrator shall sell them in the open market if and when open-market prices will return to the Government at least the approximate average price paid by the

Government for the metals or minerals, and only in such quantities as will not materially depress the market. No metal or mineral shall be transferred into the national security stockpile under the provisions of this subtitle unless the material has been found to be strategic and critical as provided in the Strategic and Critical Materials Stock Piling Act, and meets established specifications as to quality and degree of refinement or processing, and unless such transfer is consistent with the current stockpiling procurement program of the Munitions Board. Any transfer of metals or minerals to the national security stockpile shall be covered by a transfer of funds from appropriations available for purchases for the stockpile to the Administrator in amounts approximating what the cost of the metals or minerals would have been if purchased in the open market at the time of transfer.

"(e) Contracts entered into under the provisions of this section may be entered into without regard to sections 3648 and 3709 of the Revised Statutes, as amended, or other provisions of law prescribing the manner of making contracts on behalf of the United States.

"(f) No contracts shall be entered into under the provisions of this section for a period exceeding 2 years.

"Sec. 316. As used in this subtitle—

"(a) 'Secretary,' standing by itself, means the Secretary of the Interior.

"(b) 'Administrator' means the Administrator of General Services.

"(c) 'Board' means the Minerals Conservation Board.

"(d) 'Exploration' means exploration in the United States for unknown or undeveloped sources of metals or minerals, including undeveloped extensions of known deposits, conducted from the surface or underground, by surface trenching, core or churn drilling, tunnels, raises, winzes, or shafts, including recognized and sound procedures for obtaining pertinent geological information, and including metallurgical research on processes for the production of such metals or minerals.

"(e) 'Production' means the production of ores or minerals from mines in the United States, or from tailings, dumps, slags, or residues of such mines, which the Secretary determines would, in the absence of financial aid by the United States, be discontinued or remain discontinued under such circumstances with respect to each particular mine as to make it probable that for economic or technical reasons such production would not or could not be resumed promptly when needed for the national economy or security.

"(f) 'Small base metal mines' means mines or deposits of ores primarily producing or which in the course of conducting an exploration project primarily produce lead, zinc, or copper ores, or ores containing a combination of such metals, the average aggregate monthly production of which does not exceed 100 tons of lead, zinc, and copper metal combined.

"(g) 'Producer' means any person or persons or legal entity by whom or for whose account and interest exploration, maintenance, or production is to be or is being performed.

"(h) 'United States,' when used in a geographical sense, means the United States and its Territories and possessions.

"Sec. 317. This subtitle shall not be construed as superseding or amending the Atomic Energy Act of 1946 (60 Stat. 755), as amended."

Mr. MAYBANK. Mr. President, may I speak for a moment in the time of the Senator from Colorado?

The VICE PRESIDENT. The Senator from Colorado has not yet begun his statement.

Mr. MILLIKIN. Does the Senator from South Carolina wish to speak now before I have begun to present my case?

Mr. MAYBANK. I should like to make a statement.

Mr. MILLIKIN. The Senator can do so on his own time.

The VICE PRESIDENT. The Senator from Colorado is recognized.

Mr. MILLIKIN. Mr. President, the proposed amendment, with the exception of minor changes to bring it within the structure of the bill, is in the exact language of Senate bill 2105, which passed this body after considerable debate on October 6, 1949, and which went to the House Committee on Public Lands, where it was approved with amendments. A vote in the House was blocked by the House Rules Committee. Efforts to override the Rules Committee and pass the bill required a two-thirds vote, which was not secured, although more than a majority of those voting favored such action.

Senate bill 2105, from which this amendment is taken, was worked out in cooperation with the Secretary of the Interior, the Bureau of the Budget, and with the Munitions Board. It was the best bill that could be worked out considering all the varying opinions on the subject.

Very briefly, the purpose of the amendment is Federal aid to decrease and prevent wherever possible a dangerous and costly dependence by the United States on foreign nations for supplies of strategic, critical, and essential metals and minerals.

To further this objective there is provision for a Mineral Conservation Board consisting of the Secretaries of Interior, Defense, Commerce, and Treasury, with the Secretary of Interior as Executive Chairman of the Board.

Two kinds of activity are contemplated—one to aid exploration and the development of new sources of such minerals in this country; the other to aid in the conservation of known mineral deposits in existing mines in this country and to make such deposits available when needed.

The Board is given appropriate powers for putting these programs into effect and for the disposition of the mineral supplies which may result.

By specific provision the terms of this amendment are integrated into the whole program for expansion of productive capacity and supply contained in title III of the pending bill.

The present language in section 303 having to do with the supply of minerals does not spell out specific and adequate programs for developing such supply or the maximum feasible amount thereof within the limits of the United States and that is the main reason for this amendment.

Let me emphasize that the President will not be hampered by the amendment in any efforts which he determines should be made to secure foreign supplies of strategic minerals, or domestic supplies thereof unaffected by the amendment. He is not hampered in any program he may establish for doing preclusive buying to keep foreign minerals

out of enemy hands. The amendment strengthens the hand of the President as Commander in Chief of our military forces.

The Board and the President will determine the size and the cost of the program under the amendment, and the method of financing it will come under the other provisions of the pending bill either through the borrowing route provided in section 304 (b) or by appropriations authorized in section 711.

This amendment does not cripple or tend to cripple anything except our unsound dependence upon foreign strategic minerals. It fits within the general structure of the pending bill. It simply requires that among all the other choices of action open to the President under the bill, attention shall be given to exploration and development of our domestic mineral resources.

I wish time permitted me to discuss our stockpile situation, permitted me to develop the alarming scope of our dependence upon foreign minerals. I will simply remind the Senate of the facts of public record that this Nation is supplying only 74 percent of its copper consumption, 68 percent of its zinc production, 74 percent of our lead consumption; that practically speaking we are not producing in this country any tungsten, manganese, chrome, mercury, or a large number of other badly needed minerals.

A single well-placed bomb can destroy our principal foreign source of uranium. Submarines can destroy the carriers of the foreign strategic minerals on which we are dependent.

The passage last year of the bill from which this amendment is taken was a belated effort to plug a large loophole in our defenses. Adoption of the amendment at the present time is emergently and crucially needed.

Therefore I hope the amendment will be adopted.

The VICE PRESIDENT. The time of the Senator from Colorado has expired.

Mr. MAYBANK. Mr. President, there is no one who appreciates more than does the chairman of the committee the importance of the subject matter of the amendment. I have spoken about it to the distinguished Senator from Colorado and to Senators on this side of the aisle.

As the Senator from Colorado has said, the subject matter of the amendment was before us last year, and I voted in favor of it then. I understand that the bill on that subject is tied up in the House Rules Committee.

Mr. MILLIKIN. That is correct.

Mr. MAYBANK. However, I am fearful that adoption of the amendment as a part of the bill would precipitate in the conference a situation which would jeopardize the prompt enactment of the bill.

If the Senator from Colorado wishes to have me agree to take the amendment to conference, I shall be most happy to do so, although I call attention to the fact that the amendment covers the substance of a bill which we have already passed, but which is bottled up in the House Rules Committee.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. MILLIKIN. I wish to say that this matter was handled under the leadership of the distinguished senior Senator from Wyoming [Mr. O'MAHONEY].

Mr. MAYBANK. Oh yes.

Mr. MILLIKIN. I was glad to assist in that connection, insofar as I could.

The House committee approved the bill, but was unable to obtain a rule in regard to consideration of the bill by the House. A majority of the members of the committee favor enactment of the bill.

Mr. MAYBANK. Mr. President, I appreciate what the Senator from Colorado has said, and I appreciate what the Senator from Wyoming has done in connection with this matter.

I shall not object if they wish to have the amendment accepted and taken to conference; but I should like to have it understood that in the conference I will not insist on inclusion of the amendment, because this subject is now before the House Rules Committee, in connection with another measure.

Mr. MILLIKIN. Mr. President, I am not making a gesture. I hope the distinguished chairman of the committee will give his strongest personal support to the amendment. It goes to a vital part of our defenses.

Mr. MAYBANK. I will, just as I did last year in regard to the other measure.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. LANGER. I should like to call attention to the fact that we are short of antimony. Unless the amendment is adopted, we shall be faced with a very difficult situation; because in connection with the manufacture of steel, approximately 20 percent of the material used is antimony.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. JOHNSON of Colorado. This amendment contains many of the provisions which were in the act passed by the Congress during the last war, and which enabled us to obtain metals which helped in the winning of the war. So I think we should begin on this program now.

Mr. MILLIKIN. Mr. President, I ask for the yeas and nays on the question of adoption of the amendment.

Mr. TYDINGS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. All time on the amendment has expired. The Chair cannot recognize at this time a Senator unless he is yielded to by the Senator in charge of the time; and the Senator in charge of the time has not yielded.

The question is on agreeing to the amendment of the Senator from Colorado [Mr. MILLIKIN].

The amendment was agreed to.

Mr. FULBRIGHT. Mr. President, I call up my amendment lettered "F," and ask that it be stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 59, in line 10, it is proposed to strike out the words "Such regulations" and insert in lieu thereof the following:

Such regulations may, notwithstanding any other provision of law, include provisions relating to any real estate construction credit extended, insured, or guaranteed by any department, independent establishment or agency in the executive branch of the United States, or by any wholly owned Government corporation, or by any mixed-ownership Government corporation as defined in the Government Corporation Control Act, as amended. Regulations issued under this section.

On page 62, it is proposed to strike out lines 12 to 19, inclusive.

COL. GEORGE W. COOMBS

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that I may yield to the Senator from Maryland [Mr. TYDINGS], without having the time he uses charged against the time available to me.

The VICE PRESIDENT. Only 5 minutes can be used by any Senator in connection with any amendment.

The Senator from Arkansas asks unanimous consent that he be permitted to yield the floor temporarily to the Senator from Maryland.

Mr. TYDINGS. For 1 minute only.

The VICE PRESIDENT. The request is that unanimous consent be given for this purpose, to permit the Senator from Maryland to proceed for 1 minute.

Is there objection? The Chair hears none, and the Senator from Maryland may proceed for 1 minute.

Mr. TYDINGS. Mr. President, while we are here today trying to preserve the best that civilization has produced, in the face of very threatening dangers, I should like to call attention to a circumstance which I think warrants a brief comment.

Col. George W. Coombs, of Kentucky, today is finishing his forty-second year on the staff of the Baltimore Sun. For 33 years continuously he has been a member of the Press Gallery, and for many years he has been treasurer of the National Press Club. He is getting along toward the sunset of life.

All of us know him very well. He is a gentleman, a scholar, and a fine American citizen.

I wish to pay to him this brief tribute, which I am sure is shared by the large number of acquaintances and friends he has on Capitol Hill, and to wish him many years of happiness, good health, and contentment.

DEFENSE PRODUCTION ACT OF 1950

The Senate resumed the consideration of the bill (S. 3936) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity exchanges, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Arkansas [Mr. FULBRIGHT].

Mr. FULBRIGHT. Mr. President, the purpose of the amendment may be stated very briefly. Under the bill as now written, the Federal Reserve Board has control of the regulation of credit in connection with new construction in the mortgage field, wherever private institutions participate. However, all construction credit in the governmental field—in other words, under the Government building programs, in connection with FHA and housing construction for veterans—is not subject to control by the Federal Reserve Board. That part of the field comprises roughly one-half of the whole field.

The big difference is that under existing banking law the national banks will not lend more than 60 percent in the case of private mortgages. In other words, they require a 40-percent down payment, whereas, as we know, the down payments required under the Government program are very small. Recently, approximately a month or so ago, the President by means of Executive order increased the down payments by 5 percent. They still range from 5 percent to not more than 20 percent, I believe. So an inflationary influence exists in the field of governmental insured housing construction credit.

I think from a reading of the bill many persons receive the mistaken impression that the Federal Reserve Board has real power over governmental housing construction credit, whereas the fact of the matter is that the Federal Reserve Board does not have such power.

It is inconceivable to me that we should permit a down payment of 40 percent to be required in the case of private credit, but would leave governmental credit subject to the requirement of a down payment of as little as 5 percent, or sometimes ranging up to 20 percent. Of course the result of such a situation is to drive all the mortgages into the Government agencies.

So I think either we should take the Federal Reserve Board out of this field—because this field already is covered by the National Banking Act—or else the Federal Reserve Board should be given authority over the mortgages which are insured and guaranteed by Federal agencies.

This amendment simply gives to the Federal Reserve Board the power to determine the amount of down payment to be made, and the regulations to be imposed in that connection, in the field of mortgages guaranteed or insured by Government agencies.

This amendment was considered by the committee, and the committee turned it down. The reason for that, as the chairman will state, was I think the great concern that there might be some interference with the housing program on the part of the Federal Reserve Board. Of course there will be. Of course there should be. If we are serious at all about inflation, the only place we can make any impression upon it is in the field of Government construction; that is, construction loans guaranteed by the Gov-

ernment. If we are not serious about it, then I say we ought to delete the whole thing from the bill. I think it is entirely meaningless as now written. So, in order to be honest about it, I think we ought to adopt this amendment to extend the power of the Federal Reserve Board to the setting up of regulations in this field. I may say that the Joint Committee on the Economic Report specifically said in so many words that the over-all coordination of our fiscal policy ought to be in the hands of the Federal Reserve Board. The report of the Banking and Currency Committee leaves the impression that the Board ought to have this basic responsibility. It then proceeds to state, however, on page 47, that the primary responsibility in the field of mortgage credit is in the Housing and Home Finance Agency. I think it certainly ought to be clarified, and I offer this amendment in order to give the Federal Reserve Board the authority which I think we all would like it to have, to try to do something about credit, as I see it, in the tax field. That is the basic field so far as combating inflation is concerned. The next most basic one is the credit field.

The control bill as it relates as such to prices, about which we have argued so much, does not at all affect the real problem of inflation, but simply postpones its evil effects. In effect, I think it ultimately increases the evil effects of inflation, by reason of the very fact that they are postponed. But the field of credit control, along with taxes, is the field which is really and basically effective when it comes to the control of inflation.

I certainly hope the Senate will adopt this amendment. It would give an agency in which we all have confidence, I believe, really substantial power to do something in the field of mortgage credit.

The VICE PRESIDENT. The time of the Senator from Arkansas has expired.

Mr. MAYBANK. Mr. President, this amendment would authorize the Board of Governors of the Federal Reserve System to issue regulations relating to the extension of real estate construction credit, or the insurance or guaranty of such credit, by any Federal agency.

Under the bill as reported the President could issue such regulations, in spite of the provisions of existing law, with respect to such Government loans or insurance, after consultation with the Board of Governors. The amendment would transfer this authority from the President to the Board.

The committee considered and did not accept this proposal and I urge that the Senate reject it.

The Board of Governors of the Federal Reserve System have been given many new tasks under this bill, including the V-loans under section 301, consumer credit controls under section 601, and controls over private real estate construction credit under section 602. I question the wisdom of saddling them with an additional and extensive task.

Furthermore, it does not appear to me either necessary or appropriate to give the Board of Governors control over the credit functions of such executive

agencies as the Veterans' Administration and the Housing and Home Finance Agency. These functions are not based solely on credit policies and problems, and should not properly be withdrawn from the control of the President.

Accordingly, I urge that this amendment be rejected.

I think the Senator from Arkansas will agree with me that the amendment would transfer authority from the President to the Board of Governors.

Mr. FULBRIGHT. That is correct. In actual effect, of course, I assume the Housing Authority would be the Agency which would act under the present authorization.

Mr. MAYBANK. If the Senator will bear with me, the committee considered but did not accept this proposal, and, of course, as the chairman of the committee, I would naturally oppose it, because we desired to leave as much authority with the President as possible.

Mr. SPARKMAN. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Alabama?

Mr. MAYBANK. I shall yield in a moment.

Mr. FULBRIGHT. Mr. President, will the Senator yield for a question?

Mr. MAYBANK. I yield.

Mr. FULBRIGHT. Is it not true that the control of consumer credit, which is with the Board of Governors of the Federal Reserve System, and which I think no one questions, is given here, yet there is no real substance to the power which we have given them over operating the field of mortgage credit, for the simple reason that the existing banking law already requires a minimum of 40 percent down payment? I do not think anyone would say that that is seriously inflationary, neither do I think anyone contemplates that we are going to increase the down payment in the near future, when we have got it so far out of line with the requirements of each public housing bill. That is the only point. There is not, in substance, so much given to the Federal Reserve Board under this bill, although the Board is mentioned in several instances.

Mr. MAYBANK. Mr. President, I differ with my distinguished friend from Arkansas in thinking that we give the Federal Reserve System a great deal of power. But the Senator also knows that we give the Federal Reserve Board power over the Veterans' Administration and the Housing and Home Finance Agency. I do not think the Government agencies which have been functioning so well, agencies such as the Housing and Home Finance Agency, under the direction of Mr. Foley, Mr. Richards, and others, ought to be placed under the Federal Reserve System.

Mr. FULBRIGHT. Mr. President, if the Senator will yield, the whole objective is not the promotion of building. I agree they have been functioning well. But the objective here is controlling inflation, and controlling a much greater extension of credit. That has not been

even the objective of the Housing and Home Finance Agency. I do not want this amendment to be understood as casting any reflection upon or making any criticism of the Housing and Home Finance Agency.

Mr. MAYBANK. I do not suggest that.

Mr. IVES. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from New York?

Mr. MAYBANK. I yield.

Mr. IVES. The Senator from New York happens to be one of those who were inclined to favor this amendment when it was before the committee. Since that time, the Senator from New York has gone into this matter to a considerable extent and has discovered that this amendment, if it should happen to be adopted, would mean that there would in all likelihood be no VA or FHA housing during the coming year.

Mr. MAYBANK. The Senator is correct.

Mr. FULBRIGHT. That is on the assumption that the administration of the proposed act will be wholly arbitrary. I do not know how the Senator from New York could arrive at any such conclusion.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. MAYBANK. I shall yield presently to the Senator from Alabama the few remaining moments I may have. But I want to say that the American Legion and other agencies have been in touch with me by telephone and telegraph, and they are fearful that this amendment will do exactly what the Senator from New York has said.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. (Mr. CHAPMAN in the chair). Does the Senator from South Carolina yield to the Senator from Illinois?

Mr. MAYBANK. I yield to the Senator for a question, after which I shall yield the remainder of my time to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from South Carolina has remaining 30 seconds only.

Mr. DOUGLAS. Is it not true that in spite of the virtues of the Federal Reserve Board it has a distinct blind spot so far as veterans' housing is concerned and so far as public housing is concerned, and that to place this authority in the hands of the Federal Reserve Board would mean the guillotine?

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired.

Mr. KERR. Mr. President, I ask unanimous consent that the Senator from South Carolina be given an additional minute.

The PRESIDING OFFICER. Is there objection?

Mr. WHERRY. Mr. President, I have no objection, except that if anyone on the other side of the debate wants another

moment, I think he ought to be given it likewise.

Mr. KERR. I agree with that.

The PRESIDING OFFICER. Without objection, the Senator from South Carolina is recognized for one additional moment.

Mr. MAYBANK. I yield my remaining one moment to the Senator from Alabama, to whom I yielded some time ago.

Mr. SPARKMAN. Mr. President, the Senator from New York brought out the very point I wanted to suggest. It is that in the high-percentage Government-aid programs mentioned by the Senator from Arkansas we provide for veterans' loans, and we provide for a type of low-cost housing. In other words, we regulate the type, whereas so much of the conventional loan types which come under the Federal Reserve Board, and the 60 percent loans mentioned by the Senator from Arkansas, go into what might well be termed the luxury type of house. I do not believe that to get an adequate housing program we can afford to place an across-the-board limitation on it. In other words, the regulation must be such that it will look after the housing needs, while at the same time controlling the inflationary aspects of the program. For that reason, I believe that the committee arrived at a wise decision in trying to attain the balance by giving to the Federal Reserve Board control over the conventional type of private building, while retaining in the President, and, presumably, in the Housing and Home Finance Agency, but requiring consultation with the Federal Reserve Board, the type of housing for which Congress has provided under a definite housing policy.

Mr. FULBRIGHT. Mr. President—

Mr. KNOWLAND. Mr. President, will the Senator from Arkansas yield for a question?

Mr. FULBRIGHT. I yield.

Mr. KNOWLAND. The answer to the question may influence my vote on this amendment. Is it the Senator's interpretation that the Federal Reserve Board would have discretionary power to act differently in the case of low-cost housing mentioned by the Senator from Alabama or in the case of higher-cost housing which might not be so essential at the moment?

Mr. FULBRIGHT. Certainly. There is nothing in the amendment or in the bill which would restrict the making of allowances, but the housing agencies want no interference whatever. If our objective is to promote housing, of course, we should not have this amendment at all; there should not be anything about it in the bill. I assumed our objective was to try to exercise some control over inflation. There can be no question that inflation in the mortgage credit field is great, and that is the field in which the Government has insured mortgages. We cannot have our cake and eat it, too. As much was said in the committee regarding the prices of lumber and building materials as on any other one item, with the exception of meat, perhaps. I do not

think we should assume that the Federal Reserve Board would act completely arbitrarily. The Board has some good judgment, I think.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT]. [Putting the question.] The "ayes" seem to have it.

Mr. MAYBANK and other Senators requested a division.

Mr. DOUGLAS. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. SPARKMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Hill	Millikin
Anderson	Hoyer	Morse
Benton	Holland	Mundt
Brewster	Humphrey	Murray
Bricker	Hunt	Myers
Bridges	Ives	O'Connor
Butler	Jenner	O'Mahoney
Byrd	Johnson, Colo.	Pepper
Capehart	Johnson, Tex.	Robertson
Chapman	Johnston, S. C.	Russell
Chavez	Kefauver	Saltonstall
Connally	Kem	Schoeppel
Cordon	Kerr	Smith, Maine
Darby	Kilgore	Smith, N. J.
Donnell	Knowland	Sparkman
Douglas	Langer	Stennis
Dworshak	Lehman	Taft
Eaton	Lodge	Taylor
Ellender	Long	Thomas, Okla.
Ferguson	Lucas	Thomas, Utah
Flanders	McCarran	Thye
Frear	McCarthy	Tobey
Fulbright	McClellan	Tydings
George	McFarland	Watkins
Gillette	McKellar	Wherry
Graham	McMahon	Wiley
Green	Magnuson	Williams
Gurney	Malone	Young
Hendrickson	Martin	
Hickenlooper	Maybank	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MYERS. I announce that the Senator from California [Mr. Downey] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

The Senator from Rhode Island [Mr. LEAHY] and the Senator from Kentucky [Mr. WITHERS] are unavoidably detained on official business.

I announce further that if present and voting, the Senator from California [Mr. Downey], the Senator from Arizona [Mr. HAYDEN], the Senator from West Virginia [Mr. NEELY], and the Senator from Kentucky [Mr. WITHERS] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The result was announced—yeas 34, nays 54, as follows:

YEAS—34

Brewster	Fulbright	Millikin
Bricker	George	Mundt
Bridges	Gurney	Russell
Butler	Hickenlooper	Saltonstall
Byrd	Hoey	Smith, N. J.
Capehart	Jenner	Taft
Cordon	Kem	Watkins
Darby	Knowland	Wherry
Donnell	Langer	Wiley
Dworshak	McClellan	Williams
Ecton	Malone	
Ferguson	Martin	

NAYS—54

Alken	Ives	Morse
Anderson	Johnson, Colo.	Murray
Benton	Johnson, Tex.	Myers
Chapman	Johnston, S. C.	O'Connor
Chavez	Kefauver	O'Mahoney
Connally	Kerr	Pepper
Douglas	Kilgore	Robertson
Ellender	Lehman	Schoeppel
Flanders	Lodge	Smith, Maine
Frear	Long	Sparkman
Gillette	Lucas	Stennis
Graham	McCarran	Taylor
Green	McCarthy	Thomas, Okla.
Hendrickson	McFarland	Thomas, Utah
Hill	McKellar	Thye
Holland	McMahon	Tobey
Humphrey	Magnuson	Tydings
Hunt	Maybank	Young

NOT VOTING—8

Cain	Hayden	Vandenberg
Downey	Leahy	Withers
Eastland	Neely	

So Mr. FULBRIGHT's amendment was rejected.

Mr. SALTONSTALL. Mr. President, I offer my amendment 8-17-50-I.

The PRESIDING OFFICER. The Clerk will state the amendment.

The LEGISLATIVE CLERK. On page 45, between lines 16 and 17, it is proposed to insert the following:

(4) No ceiling shall be established or maintained for any fishery commodity below the higher of the two following prices: (1) A price determined by the Secretary of the Interior to be generally representative of those received by fishermen for such commodity during the calendar year 1946, adjusted by the Secretary of the Interior for grade location, and seasonal differentials, or (2) a price for such commodity determined by the Secretary of the Interior to be generally representative of the prevailing prices received by fishermen for such commodity during the period from May 24, 1950, to June 24, 1950, inclusive, or in case none prevailed during this period or if those prevailing during this period were not generally representative because of abnormal or seasonal marketing conditions or other cause, then those prevailing on the nearest date on which, in the judgment of the Secretary of the Interior, they are generally representative, with adjustments by the Secretary of the Interior for grade, location, and seasonal differentials. No ceiling shall be established or maintained hereunder for any commodity processed or manufactured in whole or substantial part from any fishery commodity below a price which will reflect to fishermen producing such fishery commodity a price for such fishery commodity equal to the higher price thereof specified above: *Provided*, That in establishing and maintaining ceilings on products resulting from the processing of fishery commodities a generally fair and equitable margin shall be allowed for such production, processing, and marketing. The President from time to time shall adjust ceiling prices for fishery commodities, and commodities processed or manufactured in whole or substantial part therefrom, in order to make appropriate allowances for unusual increases

in costs of production, processing, and marketing, and factors which result from the hazards occurring in connection with the production, processing, and marketing of such fishery commodities. The President shall stabilize salaries, wages, or other compensation of those fishermen whose compensation is customarily based upon shares of amounts procured from the sale of fishery commodities or products thereof in such manner as to preserve the customary relationship between such compensation and the amounts so procured, without regard to the provisions of paragraph (2) of this subsection.

Mr. SALTONSTALL. Mr. President, this amendment endeavors to recognize the importance of the fishing industry as a source of food and endeavors to recognize that it has certain hazards similar in nature to some of those faced by agriculture.

The bill as it now stands on pages 44 and 45 applies certain principles to agriculture in an endeavor to try to avoid as best we can some of the pitfalls which took place during the OPA administration during the recent war which made almost unprocureable at any price certain agricultural commodities.

The amendment endeavors to set up a criterion by which a fair price shall be established for fish. It sets up for this purpose the higher of the two following prices: First, a price determined by the Secretary of the Interior to be generally representative of prices received by fishermen for such commodity during the calendar year 1946 to a year when the price of fish was both under and without control, adjusted by the Secretary of the Interior for grade, location, and seasonal differentials; or, second, a price for such commodity determined by the Secretary of the Interior to be generally representative of the prevailing prices received by fishermen for such commodity during the period from May 24, 1950, to June 24, 1950, inclusive, or in case none prevailed during this period or if those prevailing during this period were not generally representative because of abnormal or seasonal marketing conditions or other cause, then those prevailing on the nearest date on which, in the judgment of the Secretary of the Interior, they are generally representative, with adjustments by the Secretary of the Interior for grade, location, and seasonal differentials. No ceiling shall be established or maintained hereunder for any commodity processed or manufactured in whole or substantial part from any fishery commodity below a price which will reflect to fishermen producing such fishery commodity a price for such fishery commodity equal to the higher price thereof specified.

The amendment also provides for a generally fair and equitable margin, not only for production, but for processing and marketing. In addition to this, it recognizes the fact that many fishermen work on what is called "shares." That is, their wages are determined by the total price received by the ship for their total catch. It can be clearly seen from this that the fishermen's wages are tied directly to the ceiling price of fresh fish landed at fish piers. There was considerable trouble in facing this actual fact

during the OPA administration. This amendment seeks to clarify this point, which is of exceeding importance to the men who make their living going to sea and fishing.

We in New England want the agricultural communities to recognize the fact that fish is an exceedingly important source of food. It is important throughout our country and I hope that no ceilings will be placed through any provisions of this bill that will do serious or permanent injury to all the people depending upon fishing for their livelihood and at the same time be fair to the consumers. That, Mr. President, is the real basis for this amendment. I am perfectly willing to admit that in the preparation of this amendment speed was of the essence and the language may not be the best that can be provided in order to accomplish the purpose which I have outlined.

Mr. President, I hope the chairman of the Committee on Banking and Currency will take the amendment to conference and so perfect it that it will accomplish the purpose desired, if it is not in proper form as I have offered it.

I yield the rest of my time to my colleague the junior Senator from Massachusetts [Mr. LODGE].

Mr. LODGE. Mr. President, I have received a brief from the Atlantic Fishermen's Union. I should like to ask my colleague whether the amendment covers what they desire.

Mr. SALTONSTALL. I believe it covers the principles suggested by the fishermen's union. I think it also covers the principles suggested by the processors and by others interested in the fishing industry. We have tried to make it cover all the classes.

Mr. THYE. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I have yielded the remainder of my time to my colleague.

Mr. LODGE. Mr. President, I should like to make a brief statement, and then I shall be glad to yield to the Senator from Minnesota, although I do not think there is much time.

I should like to add my expression of hope to that of my colleague that the amendment will be adopted, for the reason that fish is a very important article of food, and is entitled to be the beneficiary of the same type of philosophy we adopt for other food producers.

I call the attention of the Senate to the fact that Public Law 548, Seventy-ninth Congress, chapter 671, second session, House Joint Resolution 371, a joint resolution extending the effective period of the Emergency Price Control Act of 1942, contained a provision in section 7 reading as follows:

SEC. 7. Section 2 (1) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"(1) For the purposes of this act and the Stabilization Act of 1942, as amended, fish and other sea food shall be deemed to be agricultural commodities, and commodities processed or manufactured in whole or substantial part from fish or other sea foods shall be deemed to be manufactured in whole or substantial part from agricultural commodities: *Provided*, That the provisions of section

3 of the Stabilization Act of 1942, as amended, shall not be applicable with respect to fish and other sea foods and commodities processed or manufactured in whole or substantial part therefrom, but the maximum price established for any fish or sea food commodity or for any commodity processed or manufactured in whole or substantial part therefrom shall not be below the average price therefor in the year 1942."

Mr. President, I mention this to show that there is precedent for the Senate taking the kind of action requested. Congress has on another occasion come to the same conclusion, after deliberation and study. It seems to me this is a further reason why it is justifiable to urge the adoption of the amendment.

I yield to the Senator from Minnesota.

The VICE PRESIDENT. The junior Senator from Massachusetts cannot yield.

Mr. SALTONSTALL. Mr. President, I yield to the Senator for a question.

Mr. THYE. Mr. President, the amendment relates to all commercial fishing, or commercial fish prices, whether salt or fresh fish, does it?

Mr. SALTONSTALL. It does; there is no distinction.

The VICE PRESIDENT. The Senator's time has expired.

Mr. MAYBANK. Mr. President, this is a typical example of trying to legislate OPA regulations on the floor of the Senate. With all my respect and deep appreciation for the junior Senator from Massachusetts and the senior Senator from Massachusetts, I wish to make a statement about the amendment.

The wage portion of this amendment would, in effect, exempt fishing from normal wage-stabilization policy and establish a rigid method of acting upon wages in sea-fishing operations where fishermen typically are paid a fixed share of the proceeds of the sale of the catch. This would be done by stabilizing the sharing ratio, regardless of the effect of this action upon fishermen's earnings. If the catches are large, earnings may rise without limit, leaving earnings behind in other industries where rates are stabilized and in other parts of the fishing industry where workers are paid by the day or the piece. If the catches are small, earnings will fall, and it will be impossible for the board or agency administering the wage-stabilization program to make any kind of equitable adjustment designed to support earnings. No such rigid standard is set in the bill for any other industry or situation.

I agree with what the junior Senator from Massachusetts said in part. But we have not had time to study the fishing industry and we do not have enough information to provide special treatment for this industry. Since we are unable to do the same thing for many other industries, and since the bill does provide the flexibility essential for a fair and equitable treatment of all industries and their employees, I do hope the Senate will reject this amendment.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. The Senator mentioned one of the provisos. There are two provisos in the bill. The other proviso would allow the Secretary of the Interior to study the prices for fish for the same period and to suggest treatment such as is accorded some other agricultural commodities. There are hazards in the fishing industry which are different from those encountered in the production of agricultural commodities.

I hope the Senator will take the amendment to conference and that some appropriate provision can be drafted, because I believe it is not fair to fishermen that the bill should contain no provision concerning them, when we are taking care of poultry raisers and producers of various other agricultural commodities. I hope the Senator will take the amendment to conference, and if it is not in proper form I shall be glad to cooperate in working it out in proper form. I repeat, I hope the Senator will take it to conference.

Mr. MAYBANK. Mr. President, I thoroughly agree that the Senator speaks the thoughts of many fishermen, but the amendment does not include those who fish for crabs or shrimp or other types of fish, or oysters, or others interested in what comes out of Chesapeake Bay. The Congress spent much time in developing support programs, but it did not see fit to include fishing products.

I deeply sympathize with the Senator and the plight of the New England fishermen, and other fishermen, those of the South Atlantic and those on the west coast. Nevertheless, I do not see how we could take the suggested action relating to fish unless we did the same thing for the crab men and the shrimp men.

Mr. SALTONSTALL. Mr. President, I point out in answer to the Senator from South Carolina this amendment is drawn in order to cover shrimp, oysters, any fresh-water fish, or any other sea food. When the Senator is taking care of agricultural products, it seems to me fair to take care of fish.

Mr. MAYBANK. Let me say to the Senator that I am not taking care of any agricultural products. The only agricultural amendment I have offered was by request.

The VICE PRESIDENT. The time of the Senator has expired. All time on the amendment has expired. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. SALTONSTALL]. [Putting the question.] The "ayes" seem to have it.

Mr. MAYBANK. I ask for a division. On a division, the amendment was rejected.

Mr. McCLELLAN. Mr. President, on behalf of the Senator from Mississippi [Mr. STENNIS] and myself, I call up an amendment which we have at the desk, which we offer and ask to have stated. The amendment is dated 8-10-50-D.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 68, line 10, after the word "act," it is proposed to insert a comma and the words, "and the heads of regional or State offices of such agency."

The VICE PRESIDENT. The Senator from Arkansas is recognized for 5 minutes.

Mr. McCLELLAN. Mr. President, I will try not to consume the entire 5 minutes.

Subsection (b) on page 68, to which the amendment applies, provides:

The head of any independent agency created to administer the authority conferred by title IV of this act shall be appointed by the President, by and with the advice and consent of the Senate.

Our amendment simply broadens that language or extends it to include the administrators of regional offices, and also of the State offices who administer the new agencies which the President is given the power to create.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. BRICKER. Will the amendment also include the assistant director or assistant administrator?

Mr. McCLELLAN. No, not as we have prepared it. I will be glad to modify the amendment to include the national assistant director. I do not think we should go as far as to include the assistant State director.

The VICE PRESIDENT. Will the Senator please state his modification?

Mr. McCLELLAN. The language of the bill is "The head of any independent agency created to administer," and so forth. After the word "head" I modify the amendment by inserting "and assistant head."

The VICE PRESIDENT. The Senator from Arkansas has modified the amendment.

Mr. McCLELLAN. Mr. President, I wish to make merely a brief statement. Senators feel they are burdening themselves by increasing the number of appointees they must confirm. But I say the bill is far reaching in its scope. I do not know to what extent these powers may go once we put into effect these controls and set up these agencies. These men are going to have powers far beyond the power of a United States district attorney or a United States marshal, whom the Senate insists upon confirming. I say we will secure better administrators if their nominations are submitted to the Senate for confirmation. I want the confirmation under this bill extended to include the State administrators.

Mr. President, I wish to say that my good friend and colleague the Senator from Mississippi [Mr. STENNIS] joined with me in the amendment, and I shall be very happy to yield to him for a statement.

Mr. STENNIS. Mr. President, I am sure all of us have been impressed during the progress of this debate with the tremendous powers granted by the bill which will be vested in these administrators. Tremendous powers reside not only in the top man nationally, but in every one of the State administrators. It can develop that they will become virtually dictators of the economy of the States in which they serve. I think it is our duty to provide that the names of the appointees shall be channeled through the Senate, so that we may pass

on the attitude the appointees have with respect to our economy, and their responsibility to public law. I therefore am especially in favor of the amendment.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield the remainder of my time to the Senator from Nebraska [Mr. WHERRY].

The VICE PRESIDENT. The Senator from Nebraska is recognized for 1 minute.

Mr. WHERRY. The distinguished Senator from Arkansas has accepted a modification which provides that not only the regional directors and State directors, but also the assistant national head, as well as the national head, shall be confirmed by the Senate. The amendment, as modified, takes care of an amendment I have presented, dated 8-15-50-J. The modified amendment would accomplish the purposes sought by my amendment. The amendment the Senator from Arkansas has offered extends confirmation even beyond the assistant national head, to the heads of regional offices and also to the State administrators. I think it is an amendment which ought to be adopted unanimously by the Senate, because under the bill tremendous power is granted, and as the distinguished Senator has already mentioned, when that power will terminate, of course, is a matter of speculation. Therefore, as long as the bill is in operation certainly we ought to have something to say about those who are to administer all the allocations and controls over the people of our States.

Mr. MAYBANK. Mr. President, I speak now not for myself but for the committee. The question of Senate confirmation of the heads of the regional or State offices of the independent agency administering title IV was raised in committee and rejected. If I remember correctly, only three members voted in favor of the proposal. The committee felt that it was sufficient if the head of this agency should be confirmed by the Senate. He will be the officer responsible for the administration of the whole program and his regional and State officers should be under his direct control and supervision and responsible to him. The operations of this agency will be carefully watched by the special committee and it will be the responsibility of the head thereof to account to that committee for any acts of his subordinates.

The committee was overwhelmingly in favor of rejecting the amendment. As a member of the committee, and as one who holds certain beliefs with respect to certain matters, I will say frankly that I voted for the amendment in the committee, but the committee was overwhelmingly against it. I trust the Senate will follow the wishes of the committee.

Mr. WHERRY. Mr. President, on page 67, line 21 of the bill, we find the following language: "The President is authorized to appoint heads and assistant heads" of any such new agencies.

Mr. MAYBANK. The Senator from Nebraska has an amendment which he says is covered by the amendment of the Senator from Arkansas, as modified. I

am speaking solely with respect to the amendment sponsored by the Senator from Arkansas and the Senator from Mississippi.

Mr. WHERRY. The amendment of the Senator from Nebraska provides that assistant national heads shall be included in the language of subsection (b) on page 68. It seems to me that inasmuch as the committee wrote the language that the President is authorized to appoint heads and assistant heads, confirmation should be had in both cases.

Mr. MAYBANK. I may say that the committee felt that those who are appointed to be national heads should be confirmed. In other words, an individual is appointed to a position in the Federal Government in Washington, as a national officer. The committee believed such an appointee should be confirmed by the Senate. But the committee did not believe that those persons appointed to be State heads should be confirmed. Under the bill, of course, the governor of the State would make the local appointments.

Mr. WHERRY. The Senator would not object, would he, to the amendment of the Senator from Nebraska which provides for confirming the assistant national head as well as the national head of the organization?

Mr. MAYBANK. I would not want to embarrass the distinguished Senator from Arkansas. I went as far as he did.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. MYERS. Do I understand the amendment provides that the State administrators—

Mr. MAYBANK. The State directors.

Mr. MYERS. And the assistant State directors must have Senate confirmation? Does it occur to the Senator that that is the easiest way to throw this whole thing into politics, and that unless the individual is politically pleasing, he is not going to be confirmed.

Mr. MAYBANK. I have no such amendment, I will say to the Senator from Pennsylvania.

Mr. MYERS. I know the Senator has not, but does he not agree with the Senator from Pennsylvania, that such procedures would throw the whole thing into the field of politics?

Mr. MAYBANK. Of course that occurred to the committee. I have my own ideas on the subject.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. McCLELLAN. As the amendment is drawn, it does not apply to confirmation of the assistant heads of the State agencies, but does apply to confirmation of the State administrators. If that is putting the matter into politics, then we need a little more politics in this country.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. MAYBANK. I promised the Senator from Pennsylvania that I would yield to him next. I yield to him at this time.

Mr. MYERS. I thank the Senator.

Mr. President, let me say that perhaps we need a little more of that kind of politics, as the Senator has said—

Mr. MAYBANK. I never said that. [Laughter.]

Mr. MYERS. I am replying to the Senator from Arkansas in making the statement I just made. In reply to the Senator from Arkansas, I say to the Senator from South Carolina that perhaps we need this kind of politics; but God help the United States if we get this kind of politics in connection with the administration of an agency engaged in developing the national defense of our country.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. McCLELLAN. What I mean is that when we are going to delegate the tremendous powers which will be delegated by means of this bill, it behooves the Senate of the United States to have something to say about those who are going to administer those powers.

Mr. WHERRY. That is correct.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. ROBERTSON. The chairman of the committee will recall, Mr. President, that in the committee I proposed that we permit the Governor of each State to appoint the State director.

Mr. MAYBANK. Yes.

Mr. ROBERTSON. However, a majority of the committee did not seem to favor that proposal.

Then by a rather large majority the committee voted in favor of a provision requiring confirmation by the Senate.

Mr. MAYBANK. No; in the committee we rejected that proposal.

The VICE PRESIDENT. The time of the Senator has expired; all time on the amendment has expired.

The question is on agreeing to the amendment of the Senator from Arkansas. [Putting the question.]

The amendment was agreed to.

Mr. YOUNG. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

Mr. HICKENLOOPER. Mr. President, what is the number of the amendment?

The VICE PRESIDENT. The amendment has not been printed.

The amendment will be stated at this time.

The LEGISLATIVE CLERK. At the proper place in the bill it is proposed to insert the following:

In order to assure adequate supplies of agricultural commodities for defense purposes, the Secretary of Agriculture is authorized and directed to make available through loans, purchases, or other operations, price supports of basic farm commodities at not less than 90 percent of parity, and may support any nonbasic farm commodity at not less than 90 percent of parity if he deems it necessary to do so for defense purposes, providing such support of any given commodity does not, in the judgment of the Secretary of Agriculture, result in the production of excessive supplies of said commodity.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. MAYBANK. I should like to ask the Senator if copies of the amendment are available?

Mr. YOUNG. The amendment has not been printed. The one I had printed and which I intended to offer has been considerably modified but would still extend the present 90 percent price support program for farm commodities.

Price supports under the Anderson Act are due to drop from 90 percent to 80 percent for the 1951 crop.

Mr. MAYBANK. I have just been handed a copy of the amendment, but I do not believe copies of the amendment are available to Members of the Senate generally.

Mr. YOUNG. Mr. President, is the time taken by the Senator from South Carolina at this point charged to the time available to me?

The VICE PRESIDENT. It is.

Mr. YOUNG. Mr. President, I wish to proceed, and I refuse to yield.

Let me say that the amendment is very simple. It is on the order of the Steagall amendment, which was in effect during the last war; but this amendment is not nearly as rigid as the Steagall amendment was.

My amendment provides that the Secretary of Agriculture shall support the prices of basic agricultural commodities, at levels not less than 90 percent of parity, if he deems it necessary in the war effort, in order to provide the necessary stocks of commodities for the war effort. If the Secretary of Agriculture finds that excessive stocks are on hand, he can reduce the support price.

Mr. President, fluctuations in the prices of agricultural commodities cause them to be entirely different in this respect from other commodities. Presently and during the past 2 or 3 years, the prices of basic agricultural commodities have been almost exactly the prices set by the price-support program.

Normally a 250,000,000-bushel carry-over of wheat is all that is necessary. The critical world situation, however, with the possibility of a major war, makes it necessary that we maintain rather sizable stocks in reserve of all major farm commodities. This carry-over, or reserve, is a very depressing factor on market prices. Building up this necessary reserve means there is no possibility of the prices of these farm commodities going above support level. Because of these and other reasons farmers who are being asked to increase production should be entitled to at least the present price level. If prices fall to 80 percent of parity, as they are scheduled to under the Anderson Act, the farmer will be penalized. With a 600,000,000-bushel carry-over of wheat as may be necessary, there would be no chance that wheat ever would rise in price above price-support level, even if that level were only 60 percent of parity.

This amendment does not increase the price-support level—it merely prevents a drop. In other words the amendment

merely provides that the 10-percent reduction in the prices of basic farm commodities, which is supposed to go into effect next year, will be postponed if the Secretary of Agriculture deems it advisable to support the prices at a higher level in order to encourage greater production.

I should like to point out that since 1947 the prices of the farm commodities have dropped drastically. In 1947 the net income to farmers was \$17,800,000,000. In 1950 it is estimated to be only \$13,000,000,000. This drop in farm income was during a period when wages to labor and the prices charged by industry increased greatly.

I should also like to point out that in the case of the basic farm commodities, after 17 years of the operation of this support program up to date there is presently a net profit of \$50,000,000. I think that fact often is overlooked. Let me repeat that after 17 years of the operation of the price-support program, so far as basic commodities are concerned, as of today we still have a \$50,000,000 profit.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. RUSSELL. Do I correctly understand that the Senator's amendment provides that the provision of 90 percent of parity in the case of basic commodities—which provision is in effect for this crop year—shall be extended into the next crop year, and that the Secretary of Agriculture shall have authority to fix that as the support program for nonbasics which are necessary to the war effort?

Mr. YOUNG. That is correct.

Mr. RUSSELL. I see no objection to the amendment.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. WILLIAMS. I merely wish to ask the Senator from North Dakota, in connection with his statement that the support program has made a profit of \$50,000,000 during the past 17 years, whether he is aware that that situation comes about only as a result of the fact that the Commodity Credit Corporation has been listing as profits nearly \$4,000,000,000 of appropriated funds.

Mr. YOUNG. The \$4,000,000,000 the Senator speaks of was for consumer subsidies during the last war charged to the Commodity Credit Corporation. They had nothing to do with the price-support program to farmers. The Commodity Credit Corporation is selling some of its stock of cotton at the present time at a very handsome profit. Spring wheat, too, has been selling at a little above the support price, for a considerable length of time. But when we have a 400,000,000- or 500,000,000-bushel wheat surplus—and we have to have a surplus of about that much or more in view of the present critical world situation—there is little chance that wheat ever will rise in price above any support level whether it be at 90 percent, 70 percent, or 60 percent of parity. For example, when wheat marketing is exceptionally heavy in the fall, there would

never be a price above the support level, even if the support level were only 60 percent of parity.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. HUMPHREY. Would the amendment provide, for example, that in the case of a shortage of linseed oil or of any other flax product, the support price would be no more than 90 percent of parity?

Mr. YOUNG. No; the Secretary of Agriculture can go above 90 percent. The amendment does not change the provisions of law which would apply in that situation at all. There is a provision in the Agricultural Act itself which allows the Secretary to support at any level above 90 percent if he deems it necessary to provide the increased production to meet an emergency situation. Should this amendment be defeated I believe the Secretary of Agriculture can support farm-commodity prices at 90 percent of parity although it is not mandatory. I hope he will do so at least during this war situation. Since this amendment was offered in the Senate last week the Secretary has announced that he may support basic commodities at 90 percent of parity for next year. I hope he will do so even though it isn't mandatory under the existing legislation.

Mr. HUMPHREY. But in the case of the nonperishables, the Secretary of Agriculture could permit the price to go up to at least 90 percent of parity; is that correct?

Mr. YOUNG. That is correct.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. CAPEHART. What the Senator from North Dakota really is proposing is the Steagall amendment of World War II. Is that not correct?

Mr. YOUNG. Yes; except this amendment is somewhat milder. I would offer an amendment exactly the same as the Steagall amendment if I thought there was any chance of passage.

Mr. CAPEHART. Mr. President, I think the amendment is splendid, and I shall support it.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. LANGER. The distinguished Senator is proposing to protect the farmers of the United States, is he not?

Mr. YOUNG. Yes. Personally, I should like to go further than the amendment goes, but I have compromised somewhat in order to obtain more farm organizational support. I understand that the Farmers' Union is in favor of the amendment but would prefer an even higher level. I understand that the Grange is completely in support of the amendment as written.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a letter I have received today from J. T. Sanders, legislative counsel of the National Grange.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL GRANGE,
Washington, D. C., August 21, 1950.
Hon. MILTON R. YOUNG,
Senate Office Building,
Washington, D. C.

DEAR SENATOR YOUNG: We understand that you intend to propose today the following amendment to the Defense Production Act of 1950:

"In order to assure adequate supplies of agricultural commodities for defense purposes the Secretary of Agriculture is authorized and directed to make available through loans, purchases, or other operations, price supports of basic farm commodities at not less than 90 percent of parity, and may support any nonbasic farm commodity at not less than 90 percent of parity if he deems it necessary to do so for defense purposes, providing such support of any given commodity does not, in the judgment of the Secretary of Agriculture, result in the production of excessive supplies of said commodity."

We believe this amendment would be a very useful change in the act and heartily recommend its passage for the following reasons:

1. It would remove much of the uncertainty which would adversely affect production, and would assure the Nation the necessary supplies of defense farm products.

2. The provision would insure the preservation of the principle of flexibility of support if supply of any commodity threatened to become excessive.

Thus with the reasonable double assurance of adequate supplies and that excessive supplies will be avoided, we would greatly facilitate the maximum nonwasteful contribution of farmers to defense preparation.

Sincerely yours,

J. T. SANDERS,
Legislative Counsel.

The VICE PRESIDENT. The time of the Senator from North Dakota has expired.

Mr. ANDERSON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. ANDERSON. Without encroaching upon the time of the chairman of the committee, is it not possible for me to rise to speak against the amendment on the ground that it is not germane to the bill?

The VICE PRESIDENT. Such a point of order can be made at any time.

Mr. ANDERSON. Mr. President, I make the point of order that the amendment is not germane to the bill. I shall be glad to discuss the point of order, if the Vice President desires that I do so.

The VICE PRESIDENT. The Chair will be glad to hear the Senator briefly. The Chair supposes that the 5-minute limitation applies in connection with a point of order, as well as in connection with any other procedure at this time.

Mr. ANDERSON. Mr. President, I call attention to the fact that section 402 of the Agricultural Act of 1949 permits the Secretary of Agriculture to raise agricultural prices to any level which may be necessary. It gives him full authority to do anything he may wish to do in that connection.

The purpose of the pending bill is to prevent inflation, preserve the value of the national currency, insure that defense appropriations are not dissipated

by means of excessive costs and prices, and so forth. Those purposes are stated at various places in the bill.

Under the amendment now proposed, the Secretary of Agriculture would be required arbitrarily to raise commodity prices to 90 percent of parity and to hold them there as long as the bill remained on the statute books, I suppose. Under the amendment, the Secretary of Agriculture would be required to hold the prices of agricultural commodities to 90 percent of parity, not to 60 percent of parity, if there were a shortage.

Mr. President, we have a shortage of tung nuts; it is impossible to obtain a sufficient supply in the United States. This amendment would require the setting of a price level of 90 percent rather than 60 percent. Honey is under a 60 percent category. We are not suddenly going to increase the number of bees or the number of flowers from which they can get honey. But this proposal would require 90 percent on honey, because it could not be excessive. Dairy products are at 75 percent, potatoes at 60 percent, and so on through the list. I submit that this amendment is not designed to preserve the purchasing power by the present dissipation of individual savings. All the way through the whole theory of the bill is to prevent excessive prices, and the only point in this proposal is to try to make sure that the farm prices are raised.

The Secretary of Agriculture has agreed for the year 1951 that certain agricultural commodities shall be supported at 90 percent. He has done that under authority of the existing act, and I submit it is all wrong suddenly to compel him to carry things through the years the present emergency which now seems to be confronting us may continue.

I believe the amendment is absolutely not germane to the bill. I think any complete examination and study of it in connection with section 402 of the present law will show that it is not germane at all to the pending bill. If it were only for the purpose of making it possible to try to develop production, then it falls of its own weight, because section 402 goes much further than this proposal goes. It is purely a device to saddle 90 percent supports back on the war crops, as has been done by other legislation. We are still holding 90 percent supports on potatoes, because of that, and many people realize—

Mr. BREWSTER. Mr. President, if the Senator will yield, does he intend to say that potatoes are supported at 90 percent?

Mr. ANDERSON. They are supported at 60 percent, but we are still holding potatoes because of the original provision written into the law that we had to maintain under the Steagall legislation prices for a period of 2 years after the war, and it is only because we have fought situations of that nature that we have excessive costs all the way up and down the line.

Mr. BREWSTER. Will the Senator make it clear that potatoes—

Mr. ANDERSON. Next year, as the law stands, there will be no support price

on potatoes whatever. And what was it that destroyed support prices on potatoes? The level became too high. Instead of permitting the Secretary of Agriculture to have any discretion or to make any move, tung nuts went up to 90 percent, where they did not belong; wool, to 90 percent; honey, to 90 percent; dairy products, to 90 percent; and so on down through the list. The Congress spent a long time trying to work out a flexible system of price supports. I submit this is not possible in accordance with the terms of the amendment. If Senators will look at a section of the bill, page 40, subparagraph b, they will find the words, "establishing ceiling or ceilings on the price." This amendment establishes floors, not ceilings.

Mr. WHERRY and Mr. CAPEHART addressed the Chair.

The VICE PRESIDENT. Does the Senator from New Mexico yield, and if so, to whom?

Mr. ANDERSON. I yield to the Senator from Nebraska.

Mr. WHERRY. Does not that make it germane, though?

Mr. ANDERSON. The fact that it establishes floors, when the bill is designed to hold down the cost of living?

Mr. WHERRY. I see the point which the Senator makes relative to the merits of the proposal.

Mr. ANDERSON. The amendment is just the opposite of the bill.

Mr. WHERRY. But from the fact that in the very section mentioned by the Senator the bill proposes ceilings, why is it not germane if it also proposes floors?

Mr. ANDERSON. Because the objective of the bill is to control the cost of living.

Mr. WHERRY. I understand.

Mr. ANDERSON. This amendment is designed to raise the cost of living.

Mr. WHERRY. When title IV was added to the bill, probably after the policy was determined, it resulted in providing everything there is in the way of handling prices. There are ceilings, ceilings, ceilings. Now, it is desired to establish a floor. On that basis, I think the amendment is germane.

Mr. ANDERSON. I call attention to the fact that the bill starts with proposals "to protect consumers, wage earners, persons with relatively fixed and limited incomes." Is this amendment designed to protect them. No; it is designed to take as much away from them as possible, and it is a complete reversal of what the bill is supposed to do.

Mr. HOLLAND. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Florida?

Mr. ANDERSON. I am happy to yield to the Senator from Florida.

Mr. HOLLAND. I wonder whether the Senator from New Mexico has given consideration to what this general language would accomplish with reference to doing away with limitations on the acreage of such crops as cotton and peanuts, which are a very definite part of the price-support program, but which

under this title might or might not remain such, under the sole judgment of one man?

Mr. ANDERSON. I do not know what would be the effect of it from that standpoint, I may say to the Senator from Florida. I simply say the amendment is contrary to everything that is in the bill. The bill says it is designed to protect wage earners, to conserve the savings of persons with limited means, and a Senator proposes an amendment which does just the reverse, for it says that the farmers of the country—and I certainly have fought to obtain for them decent prices—shall have 90 percent on non-basics. I call attention to the fact that under the amendment the Secretary "may support any nonbasic farm commodity at not less than 90 percent of parity, if he deems it necessary for defense purposes, providing such support does not result in the production of excessive supplies of said commodity."

Mr. MAYBANK. Mr. President, how much time have I left?

The VICE PRESIDENT. The Senator's time has expired. The Senator from South Carolina may have 5 minutes on the point of order.

Mr. MAYBANK. Mr. President, I do not want 5 minutes on the point of order. I merely want to make a brief statement on behalf of the committee.

Mr. CAPEHART. Mr. President, will the Senator yield so that I may read a telegram which I received from the president of the Indiana Farm Bureau?

The VICE PRESIDENT. All this argument now is on the point of order.

Mr. MAYBANK. Mr. President, I do not desire to discuss the point of order, but I do want to say, in discussing this amendment, that it is within the province of the Committee on Agriculture and Forestry, which has spent many months during the past 3 years on this subject matter. It is not an amendment which should be adopted without most careful consideration. Its purpose is to keep prices up, and that is contrary to title IV, in my judgment.

I now yield to the Senator from Indiana.

Mr. CAPEHART. Mr. President, I desire to read a telegram that I just received from the president of the Indiana Farm Bureau, Inc., and it might be well if each Senator would pay close attention to it. It reads:

INDIANAPOLIS, IND., August 21, 1950.
Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

Attempt will be made today to attach to defense production bill an amendment providing 90-percent rigid mandatory price supports on basic commodities. This amendment sponsored by Senator Young and similar to Young-Russell amendment defeated by narrow margin year ago. 1949 Agricultural Act provides wide discretion for Secretary to set support levels up to 90 percent any time and above that in national emergency. No need of or justification for considering this matter at this time. Senate approval this amendment would label farmers as selfish interest seeking special privilege in war bill and would dramatically reduce our ability to work effectively on major issues involved this bill. In view letter Brannan sent Senator THOMAS on July 28 endorsing permanent 90-percent supports,

confident Brannan will support this effort to destroy flexible support authority in 1949 act. Urge you use your influence in defeating this amendment.

HASSIL E. SCHENCK,
President, Indiana Farm Bureau, Inc.

Mr. YOUNG. Mr. President, will the Senator yield?

The VICE PRESIDENT. The Senator does not have any time to yield.

Mr. YOUNG. I ask unanimous consent that I may have one-half minute to answer the Senator.

The VICE PRESIDENT. The argument that is now being engaged in is supposed to be on the point of order, and to have nothing to do with the merits of the amendment.

Mr. YOUNG. Mr. President, may I discuss the point of order?

The VICE PRESIDENT. In the case of an appropriation bill, under the rule, whenever a point of order is made against an amendment on the ground of germaneness, the Chair is required to submit to the Senate the question of the germaneness of the amendment. Whenever an amendment is offered, under the cloture procedure, the Chair passes on the germaneness of the amendment, which, of course, is subject to appeal. The Chair cannot split the difference.

Mr. RUSSELL. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. RUSSELL. Under the order which obtains and under which the Senate is now acting, is not the Senator from North Dakota entitled to time in which to debate the point of order that has been raised by the Senator from New Mexico? It would seem to me that under the point of order he would have 5 minutes.

The VICE PRESIDENT. Under the agreement, it is provided that the proponent of the amendment or motion shall have 5 minutes, and the chairman of the committee, the Senator from South Carolina, would have 5 minutes. As the Chair interpreted the point of order made by the Senator from New Mexico, it entitled him to 5 minutes on his point of order. The agreement is rather rigid that the other 5 minutes is to be taken by the chairman of the committee.

Mr. RUSSELL. That does not give the proposer of the amendment much chance.

The VICE PRESIDENT. He had 5 minutes on the merits of the amendment.

Mr. MAYBANK. Mr. President, how much time do I have remaining?

The VICE PRESIDENT. One minute.

Mr. MAYBANK. I yield that 1 minute to the Senator from North Dakota.

Mr. YOUNG. I thank the distinguished Senator from South Carolina for this extra minute. Mr. President, I wanted to point out that the original Steagall amendment was an amendment to the Stabilization Act during the past war, which ought to make this amendment germane to this Price-Control and Stabilization Act. The telegrams received here by so many Senators, sponsored by the Farm Bureau, refer to the original amendment I proposed and had

printed. That is not the amendment I now offer. The original amendment would go further in making 90-percent supports more rigid and mandatory. The only reason I am not offering it now is that it would stand less chance of passage than my present amendment, which retains some flexibility. There is nothing in the bill, as I see it, to increase the prices of commodities to the poor people of the Nation, as indicated by the Senator from New Mexico [Mr. ANDERSON]. It merely provides that present levels of support be continued.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. McFARLAND. Mr. President, I ask unanimous consent that the Senator from North Dakota may have four additional minutes.

The VICE PRESIDENT. Does the Senator want that time? The Chair is prepared to rule.

This is obviously not an appropriation bill. Therefore, a provision that a point of order on the question of germaneness shall be submitted to the Senate, does not apply. It is not a procedure under cloture where the Chair passes on the germaneness of an amendment. Therefore, under the practice which has been more or less generally followed, the question of the germaneness of the amendment is submitted to the Senate. The Chair is willing to pass on the point of order if the Senate wishes. An appeal may be taken in either case.

The Chair is of the opinion that the amendment is in order. On page 42 of the bill it is provided that no ceiling shall be established on any agricultural commodity except in two cases. In the first instance, it shall not be below parity, and in the second instance, it shall not be below the average price on June 15, 1950. It seems to the Chair that the amendment offered by the Senator from North Dakota is germane to those provisions. That is the theme running through the whole chapter on agricultural products. The Chair, therefore, overrules the point of order.

The question is on agreeing to the amendment offered by the Senator from North Dakota.

Mr. LANGER and other Senators requested the yeas and nays.

The yeas and nays were not ordered.

The VICE PRESIDENT. [Putting the question.] The "noes" seem to have it.

Mr. YOUNG. Mr. President, I ask for a division.

On a division the amendment was rejected.

Mr. MAYBANK. Mr. President, I yield to the Senator from Oklahoma.

Mr. KERR. Mr. President, I offer the amendment which I send to the desk and ask to have stated. It is offered on behalf of the Senator from Texas [Mr. CONNALLY] and myself.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 35, line 18, after "(2) for", it is proposed to insert "the encouragement of."

Mr. MAYBANK. Mr. President—

The VICE PRESIDENT. The Senator from Oklahoma is entitled to the floor.

Mr. KERR. Mr. President, I yield to the Senator from South Carolina.

Mr. MAYBANK. Mr. President, this amendment merely asks for encouragement. I do not know whether the Senator has discussed it with the minority leader or the majority leader, but I see no objection to the word "encouragement" being inserted.

The VICE PRESIDENT. Does the Senator from Oklahoma want to consume his time, in view of that statement?

Mr. BRICKER. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. BRICKER. It is a question of oil, is it not?

Mr. KERR. No; it has to do with minerals. The amendment is to insert after the word "for" the words "the encouragement of."

Mr. BRICKER. Is it for the encouragement of resale?

Mr. KERR. No; it is for the encouragement of exploration of strategic minerals and metals.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. KERR].

The amendment was agreed to.

Mr. BRICKER. Mr. President, I call up my amendment "I" and ask that it be stated.

The VICE PRESIDENT. The clerk will state the amendment offered by the Senator from Ohio.

The LEGISLATIVE CLERK. On page 43, it is proposed to insert the following new sentence at the end of line 21:

In no event, however, shall the President select a base period for the stabilization of the component wage, salary, or other compensation of any material, service, or property different from that selected for the ceiling price of that material, service, or property.

Mr. BRICKER. Mr. President, this amendment would require that in the stabilization of wages the President may accept or use as a base period for such stabilization program substantially the same base period that he uses in fixing prices. The same base period that would be used in the control of wages is selected for price control in a general wage-control and price-control program. This would eliminate the possibility that the President could choose 1950 prices and 1951 wages for a base period for any given commodity. Where prices have risen and wages have not increased, the President could, under this authority, roll back prices to the period in which he fixed the basic wage formula of stabilization, or of freezing, whichever it might be, of the wages for that period.

Some Senators have mentioned the fact that if we stabilize prices, we should stabilize wages as of the same general period; that we should not go into a period of wage increases now without commensurate price increases to meet the wage increases; that we should not permit price increases without responsibility for increasing wages to meet them. If the period is fixed prior to the Korean episode, I think prices and wages ought to be stabilized and fixed as of the same general period.

XCVI—812

Mr. MAYBANK. Mr. President, speaking for myself, and, I trust, for some of the Members on this side of the aisle, and, I hope, for all members of the committee, the amendment of the Senator from Ohio would require the President to use the same base period in controlling wages in any industry that he uses in controlling prices in that industry. The only provision in the bill for the use of a base period is the provision contained in section 402 (d) requiring the President to give consideration to comparable prices and wages in the period May 24, 1950, to June 24, 1950, inclusive. This provision is applicable to wages as well as prices. There is some doubt, therefore, as to the effect of this amendment. If it is intended to require that the President fix wages and prices at exactly the same levels as they were during some base period, we believe it is too inflexible and is inconsistent with the provisions of the bill which require him to take many other factors into consideration in fixing wage and price controls. Furthermore, wages are usually changed at infrequent intervals and reflect market conditions of an earlier period, so that an inflexible rule requiring the use of a base period might well produce many inequities.

I should like to say in connection with the amendment of the Senator from Ohio that the committee considered at great length the question of the relationship between prices and wages, including the question of the wages of the General Motors Co. and of other corporations which agreed to raise wages several times. If we were to roll back wages which had been raised, interfering with contracts which had been agreed to, we would be in a difficult situation. While I should like to see wages and prices frozen, and frozen at the same date, I do not see how we can very well do it. I say that because, as the Senator knows, we had quite a discussion in the committee, particularly with reference to large contracts in the Detroit area and other areas, and with reference to situations in different industries, where wages might be high in relation to prices or prices might be high in relation to wages. Freezing prices and wages as of the same date would give a producer an unfairly small margin in the first case, an unfairly large margin in the second case.

Mr. BRICKER. But there is no fixed formula by which we can assure absolutely equitable treatment both of wages and prices at the same time. There is no date that can be taken which would assure absolute fairness to all.

Mr. MAYBANK. I do not see how it can be done, because inequities must be considered and other elements must be considered, including contracts. Requiring freezing of wages and prices at the same period would increase these inequities.

Mr. BRICKER. The amendment would require the same general base period. It would not require a rollback of any wages fixed by contract, and it would not require the rollback of any prices, but if there was a fixing of prices on a general base period, the same base period would have to be used for the fixing of wages.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MAYBANK. I should like to refer the Senator to page 42 of the bill. He will agree with me, I think, that under the subsection beginning at line 9, if the President roll wages back he must take that fact into consideration.

Mr. BRICKER. But the President is not required to roll them back.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. DOUGLAS. Is it not correct to say that if the amendment proposed by the Senator from Ohio were adopted, and the President should roll prices back to July 15, he would be compelled to freeze wages at the July 15 level? On the other hand, it is true that prices would have increased up to July 15, whereas wages would not have increased, and the result would be to give windfalls to the employers and hold labor back to the conditions which prevailed before hostilities began.

Mr. MAYBANK. Yes; and not only that, but certain contracts would have been entered into. The Senator from Illinois has studied the subject very thoroughly, and he knows that certain contracts in the big industrial areas provide for certain automatic wage increases.

Mr. DOUGLAS. That is correct.

Mr. BRICKER. There is nothing in the bill which would require the President to fix the date of July 15. He must take into consideration prices which prevailed prior to the Korean episode, when prices started to increase.

Mr. DOUGLAS. He is not compelled to take that date; but suppose he should take July 15. That would give the benefit of the price increases to the employers. Therefore the result of the adoption of the amendment would be a decrease in the real wages.

Mr. BRICKER. It might also work the other way.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. BRICKER]. [Putting the question.]

Mr. BRICKER and other Senators requested a division.

On a division, the amendment was rejected.

Mr. HILL. Mr. President, I call up an amendment and ask for the clerk to read it.

The VICE PRESIDENT. The Secretary will state the amendment.

The LEGISLATIVE CLERK. On page 46, line 7, it is proposed to strike out the period and insert the following proviso: "Provided, That no common carrier or other public utility shall, at any time after the President shall have issued any stabilization regulations and orders under subsections (b) and (c), make any general increase in its rates or charges prevailing during the period from May 24, 1950, to June 24, 1950, inclusive, unless it first gives 30 days' notice to the President, or such agency as he may designate, and consents to the timely intervention by such agency before the Federal, State, or municipal authority having jurisdiction to consider such increase."

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. MAYBANK. I ask unanimous consent that I may ask the distinguished majority leader and the distinguished minority leader some questions with reference to the unfinished business, the time not to be taken from the time allotted to the Senator from Alabama.

The VICE PRESIDENT. Is there objection to the request of the Senator from South Carolina?

Mr. HILL. Reserving the right to object, the Senator means that the time would not come out of my 5 minutes.

Mr. MAYBANK. That is correct.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MAYBANK. I should like to make a statement. Several Senators have come to me and asked how long the Senate will remain in session. Everyone is familiar with the fact that at 1:30 tomorrow we begin voting on the road bill. The minority leader and the majority leader determined this morning that today we would finish consideration of all amendments to the pending bill and the bill itself. That was the understanding. I merely wanted to know, for the benefit of other Senators, what we are to do now. There are approximately 35 more amendments to be considered, or at least they are pending. I do not know whether the Senate wishes to take a recess until 7 o'clock and then return and finish the consideration of the bill and amendments. I do not believe that the remaining 35 amendments will take so long to consider as the amendments which we have disposed of. However, there are 35 amendments still pending. I should like to ask the majority leader and the minority leader what their wishes are so that we may accommodate the other Senators. I ask the question because of the position into which the distinguished majority leader and minority leader have put me because I am in charge of the bill and I have been asked these questions.

Mr. LUCAS. Mr. President, insofar as the majority leader is concerned, I think we should go ahead and see if we cannot finish consideration of all the amendments. I presume that we shall not take 10 minutes on each amendment. Some of them undoubtedly we can finish in a hurry. We should be able to finish all the amendments within a few hours. If we take an hour out for dinner now I am afraid we shall be here until about midnight, because the minute we get some fuel into us the inclination is to talk more and more. I do not want to cut off anyone in debate, but I do believe that if we sit for a few hours we can finish with all amendments and the bill. At least we must finish at some time tonight.

Mr. MAYBANK. There are 35 amendments still pending.

Mr. WHERRY. I am quite sure that not all the amendments will be offered. Although we could recess for an hour or so, I believe that if we sat through we would save some time in the end, and we would facilitate consideration of the unfinished business. I hope we can go right on and vote on all amendments.

I am sure that all 35 of them will not be offered.

Mr. HILL. Mr. President, as to the pending amendment, let me say that the bill very properly exempts from any control by the President or any Federal agency whatever the fixing of rates by any utility commission on any carrier or any public utility of any kind. The amendment would provide that before there could be a general increase in utility rates, notice would have to be given to the President or such agency as he designated, if and when he does provide for the controls which the bill empowers him to provide, and that the President or such agency should have the right to appear before the particular regulatory body and present whatever facts the agency may see fit to present, if it desired to do so. In other words, it simply gives to the agency of the Federal Government the opportunity to show what a proposed general increase in rates might amount to, or what the impact of it might be.

The amendment is exactly similar to a provision in the Stabilization Act of 1942. The act carried a provision which the amendment now provides for. Experience showed that the provision in the Stabilization Act of 1942 was invaluable, particularly to REA co-ops in making sure there was no general increase in their rates without an opportunity being given for the agency to come forward and state the facts.

I offer the amendment on behalf of myself and the Senator from Minnesota [Mr. HUMPHREY]. It would give to REA co-ops the same protection which they enjoyed under the Stabilization Act of 1942. We wish to have them receive the maximum amount of power they need in order that they may carry on their agricultural production. We know how great and how fine that production was during the last war. All we ask is the same protection for them during this emergency that they had during the last war.

Mr. President, if I may have the attention of the distinguished chairman of the committee, the Senator from South Carolina, I hope very much he will agree to take this amendment to conference.

Mr. MAYBANK. Mr. President, I know of the experience during the last war, and I have no objection to the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Alabama [Mr. HILL].

The amendment was agreed to.

Mr. CAPEHART. Mr. President, I send an amendment to the desk and ask to have it stated.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 38, after line 9, strike out all of title IV.

The VICE PRESIDENT. The Senator from Indiana is recognized for 5 minutes.

Mr. CAPEHART. Mr. President, if we adopt this amendment we can possibly go home a couple of hours earlier.

Title IV, which I suggest be stricken out, is the title which has to do with rationing, wage control and price con-

trol, something which the President of the United States did not ask for, something which the Committee on Banking and Currency did not hold any public hearings on, and in my opinion as a member of the committee, it gave very little attention to what we are trying to do on the floor of the United States Senate with title IV, namely, to write an OPA measure. I am in favor of the Congress writing a standby price and wage control and rationing bill, to go into effect when this Nation goes to war. But we ought to spend days and days listening in public hearings to the testimony. We ought to call in all those who had experience in World War II and we ought to write a comprehensive bill. We ought to give much thought and study to it.

The bill about ready to be passed tonight is a monstrosity. There is no one who can administer the bill with the amendments which have been offered and adopted on the floor of the Senate. I strongly urge that title IV be eliminated, that we pass the remainder of the bill, and that then Congress prepare a standby price and wage control and rationing bill, and give it the consideration it should have.

The President has not asked for this particular type of legislation. That which he has requested is in the other three titles of the bill. I believe the other three titles, generally speaking, constitute excellent legislation. There is much in those three titles which the President needs at the moment in order to prosecute the Korean war. I believe we need a law on the books to give the President standby controls if and when the Nation goes to war. The President says we are not at war, he says the present difficulty is a police action. He refuses to declare a national emergency. He says he does not need title IV and that he does not want it. If he does not need it and does not want it, he certainly will not use it, and if he is not going to use it, why should we pass a piece of legislation which is most unsatisfactory? It cannot possibly be satisfactory as it has been handled.

I repeat, the committee listened to no witnesses, no one was called before the committee who had any experience whatsoever in World War II in respect to this matter. The bill is a hodgepodge. In my opinion it will be impossible of administration, and it seems to me the President will be forced to veto the bill, with the hodgepodge contained in title IV.

Mr. President, I urge the Senate to strike out title IV and that a new bill covering the subject be introduced, and that the Senate Committee on Banking and Currency be given all the time necessary to consider it.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield to the Senator from Vermont.

Mr. AIKEN. The Senator from Indiana is aware of the fact, I am sure, that we have all been deluged by telegrams, letters and telephone calls from farm people all over the country expressing fear lest price controls be put into effect on farm commodities, and that

wage and salary and other controls be left out, and urging that the bill be amended in such a way that if controls are put into effect on farm commodities, they will be put into effect on everybody, so that the farmers will not run the risk of having only farm commodities and possibly certain other selected commodities controlled. Does the Senator from Indiana know whether there is any provision in the bill now that if controls are put into effect on, let us say, farm commodities, they must be put into effect on all other categories?

Mr. CAPEHART. The nearest the bill comes to that is in title IV, where it is provided that if controls are put on generally, then wages and prices must be controlled, but it is not specific, and I doubt if any two men would give the same interpretation to the language.

Mr. WHERRY. Mr. President, an amendment will be offered to cover the point the distinguished Senator from Vermont has mentioned. There is nothing in the bill that accomplishes what the Senator suggests.

Mr. CAPEHART. The Senator is raising the point I am trying to make, namely, that title V should be stricken from the bill, and that title IV should be a completely new bill, controlling prices and wages and rationing if and when an emergency arises.

Mr. BRICKER. Mr. President, I offer my amendment H before the vote is taken on the motion to strike out title IV. It has to be called up at this time.

Mr. CAPEHART. A parliamentary inquiry. Does that completely take me off my feet?

The PRESIDING OFFICER (Mr. CHAPMAN in the chair). The amendment of the Senator from Ohio takes precedence of the amendment of the Senator from Indiana. The amendment of the Senator from Ohio will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all of subsection (b) of section 402 beginning on line 5 on page 40, through line 8 on page 41. To amend lines 9, 10, and 11 on page 41 so as to read as follows: "(b) Where the objectives of this title cannot be attained by action under subsection (a), the President may issue regulations and orders"; on line 4 on page 42, to insert the word "not" after the word "may" and strike the word "either"; on line 6 on page 42, to strike the word "or", and insert in lieu thereof: "but may be taken only"; on lines 7 and 8 on page 42, to strike the language: "and in either event may include retail sales for household or personal use" and insert in lieu thereof: "subject to the exceptions provided hereafter in subsection (e) of this section or provided by the President under the authority contained in subsection (f) of this section"; on lines 12 and 13 of page 42, to strike the language: "comprising a substantial part of all sales at retail and materially affecting the cost of living" and insert in lieu thereof the word "generally"; on line 14 of page 42, to change "(d)" to "(c)". On line 22 of page 43, to change "(e)" to "(d)". On line 17 of page 45, to change "(f)" to "(e)". On line 8 of page 46, to change "(g)" to "(f)". On

line 17 of page 46, to insert a period after "(b)" and to strike the word "or"; and to strike all of line 18 on page 46.

Mr. BRICKER. Mr. President, this amendment eliminates from the bill selective controls. We debated this back and forth in the committee time and time again. First it was in, and then it was out.

In the judgment of the Senator from Ohio selective controls simply cannot operate. The whole productive system and price system of our economy throughout the country is so intricate, so involved, and so interconnected that immediately price control is put on one commodity or one segment of the economy, immediately it is necessary to put it on some other. So it is impracticable and impossible, in the judgment of the Senator from Ohio, to administer selective price controls.

If we do have selective price controls, then the question further arises whether we are going to have selective wage controls with respect to the same commodities. The President has full power to select prices and wages that are necessary to be controlled, or which, if controlled, might hinder the war effort. So we are not curbing the authority of the President in any way, but we are requiring in this amendment that when wage and price controls are applied under the section as amended, they must be applied generally and not selectively, and they must be applied concurrently to prices and to wages at the same time.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. FLANDERS. I should like to say that I am going to vote for the amendment, and by so doing I have completely changed my position from the time I voted to report the bill favorably from the Committee on Banking and Currency. I have become more and more impressed with the fact that in dealing with price controls and wage controls on a selective basis we are succumbing to a creeping control which would give us a false sense of security, because we are dealing with symptoms only and by treating these symptoms we are very liable to find ourselves enmeshed in a credit expansion which finally will burst through all these controls of symptoms.

We need much heavier taxation than at present is in prospect. We need excess profits taxation well considered and well worked out. We need to make sure that we deny to the Treasury access to bank credit. There are a number of other things which we should do which we will not do if for a period this creeping control seems to be successful. We always have the reserve under the proposed amendment of the over-all control if the real emergency should arise.

Mr. WHERRY. Mr. President, will the Senator yield for a modification?

Mr. BRICKER. I yield.

Mr. WHERRY. On page 41, subparagraph (2) reads as follows:

(2) stabilizing wages, salaries, and other compensation paid to or received by any person for any type of employment; and regulations prohibiting increases in wages, salaries, and other compensation, except

when deemed necessary by the President to prevent gross inequity or to effectuate the purposes of this act, shall be issued whenever—

Will the Senator accept after the word "whenever" the words "ceilings are imposed under paragraph (1) of this subsection" and add a period there and strike the remainder of the language in that paragraph, page 41, down to and including the first three lines on page 42? The reason I ask the question is that it seems to me it is going to be very difficult to explain what is meant by stabilizing wages.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAYBANK. As I understand, the Senator from Indiana [Mr. CAPEHART] has proposed that title IV be stricken out. As I understand, the Senator from Ohio [Mr. BRICKER] has amended the proposal made by the Senator from Indiana.

Mr. WHERRY. No.

Mr. BRICKER. My amendment is to be considered and voted upon prior to the motion to strike.

Mr. MAYBANK. And then, as I understand, the Senator from Nebraska [Mr. WHERRY] will offer an amendment to the amendment of the Senator from Ohio.

Mr. BRICKER. He is proposing to modify my amendment.

Mr. MAYBANK. Therefore there would be available to Senators desiring to speak in opposition to the various proposals, 5 minutes on the motion of the Senator from Indiana [Mr. CAPEHART] to eliminate title IV, 5 minutes on the amendment of the Senator from Ohio [Mr. BRICKER], on his amendment which is to be acted upon before action is taken on the motion of the Senator from Indiana, and 5 minutes on the proposed modification of the Senator from Nebraska. Several Senators on this side desire to speak.

Mr. WHERRY. I think the Senator from South Carolina is incorrect. The Capehart amendment does not come into the picture at this time. The amendment under consideration is the one offered by the Senator from Ohio. The Senator from Nebraska has asked the Senator from Ohio if he will accept a modification of his amendment. So there will be no amendment offered by the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Indiana [Mr. CAPEHART] has consumed his 5 minutes on his amendment.

Mr. MAYBANK. Then we have 5 minutes on the so-called Capehart amendment.

The PRESIDING OFFICER. The Senator from South Carolina has 5 minutes on that amendment. The Senator from Ohio has the floor on his amendment, and the Senator from South Carolina is entitled to 5 minutes in answer to that. The Senator from Nebraska has merely suggested a modification of the amendment of the Senator from Ohio.

Mr. BRICKER. I accept the proposed modification. I modify my amendment

to conform with the request of the Senator from Nebraska.

Mr. WHERRY. Since the Senator from Ohio has accepted the modification, the Senator from Nebraska will not offer his amendment lettered "C" which he submitted some days ago. I should like Members of the Senate to know that the amendment of the Senator from Ohio, as modified, would accomplish exactly what the Wherry amendment lettered "C" would accomplish.

The PRESIDING OFFICER. The time of the Senator from Ohio [Mr. BRICKER] has expired.

Mr. WHERRY. Mr. President, I send to the desk an amendment as a substitute.

Mr. MAYBANK. Mr. President, that would give us 15 minutes in all in reply.

Mr. WHERRY. No; it is an amendment in the second degree, which I am entitled to propose.

Mr. MAYBANK. No, Mr. President. I want to be certain that Senators on this side shall have full opportunity to be heard.

The PRESIDING OFFICER. The Chair understands that the Senator from Ohio accepted the suggestion by the Senator from Nebraska to modify his amendment.

Mr. WHERRY. I wanted to have a chance to say a word about that modification. I was about to offer a substitute, but I will not do so. I will not impose upon the Senate to that extent.

The PRESIDING OFFICER. The amendment of the Senator from Nebraska has already in effect been accepted by the Senator from Ohio in modifying his amendment.

Mr. WHERRY. Does the Senator from Nebraska have any time left?

The PRESIDING OFFICER. He has no time left. The Senator from South Carolina is recognized for 10 minutes.

Mr. SALTONSTALL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SALTONSTALL. What is the amendment, as modified? May we have it read?

Mr. MAYBANK. Mr. President, none of this comes out of my time, does it?

The PRESIDING OFFICER. No. Request has been made that the amendment of the Senator from Ohio, as modified, be stated. That will not come out of the time of the Senator from South Carolina. The amendment will be stated.

The LEGISLATIVE CLERK. To the amendment offered by him, Mr. BRICKER has accepted the following modification:

On page 41, line 23, strike the language commencing with the word "an" down to and including line 3 on page 42, and insert in lieu thereof the words "ceilings are imposed under paragraph (1) of this subsection."

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 10 minutes.

Mr. MAYBANK. I shall make only a brief comment.

Mr. TAFT. Mr. President, a point of order. Why is the Senator from South Carolina recognized for 10 minutes?

The PRESIDING OFFICER. Because the Senator has 5 minutes remaining to speak in opposition to the amendment of the Senator from Indiana [Mr. CAPEHART] and 5 minutes in opposition to the amendment of the Senator from Ohio [Mr. BRICKER].

Mr. MAYBANK. Mr. President, I should like to ask the Senator from Nebraska what his amendment does? Does it eliminate any possibility of ceilings?

Mr. WHERRY. Mr. President, I appreciate the question. It gives me an opportunity to explain the amendment. On page 41, line 23, after the word "whenever" I have proposed to insert the words "ceilings are imposed under paragraph (1) of this subsection." Paragraph (1) is immediately above paragraph (2), the language of which we are now considering. Then I propose to strike out the remainder of the language in paragraph (2) beginning with the words "an increase" on line 23, down to and including line 3 on page 42. That makes the requirement in subsection (b) that if ceilings are established under paragraph (1), stabilization of wages is also established under subsection (2), and it is done automatically at the same time.

Mr. MAYBANK. What effect would that have on the paragraph beginning in line 9, on page 42? Would that be stricken?

Mr. WHERRY. The first three lines on page 42 would be stricken. That is the remainder of the paragraph.

Mr. MAYBANK. No, I am speaking about the paragraph beginning in line 9 on page 42. What effect would the Senator's language have upon that?

Mr. WHERRY. It would have the very effect the distinguished Senator from Ohio just mentioned; that wages would automatically be stabilized under paragraph (2) when price ceilings are imposed under paragraph (1).

Mr. MAYBANK. That strikes out selective control?

Mr. WHERRY. I would say that that is exactly what it does. Voluntary controls are still provided under section 402 (a) but it provides controls clear across the board with respect to wages and prices when mandatory controls are applied.

Mr. MAYBANK. Mr. President, I now yield 5 minutes to the Senator from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. Mr. President, as I understand the two amendments, their effect, considered together, would be, when stated in simple terms, to do away with selective controls.

Mr. WHERRY. That is correct; let us be frank about it.

Mr. SPARKMAN. Mr. President, the committee discussed this matter rather at length, and decided that it was feasible to insert provision for selective controls. The committee recognizes the fact that there were a few items which have had runaway price increases since the beginning of the Korean war, and that instead of imposing price controls all the way across the board, it might very well be possible for the President to select particular items, for the time being, and control their prices.

Of course, there has always been some controversy over the question of whether selective price controls would work. In the days of the old OPA, similar questions arose. Some persons argued in favor of selective price controls, and others argued that they would not be workable.

The Joint Committee on the Economic Report, in the Eightieth Congress, under the chairmanship of the senior Senator from Ohio [Mr. TAFT], went into this question, and submitted a report recommending selective controls, and said it was believed that a system to selective controls would work, and the committee recommended them. I refer to the report of the Joint Committee on the Economic Report, of May 18, 1948, pages 6 and 7, at the time when the committee was under the chairmanship of the distinguished senior Senator from Ohio [Mr. TAFT], and the able Senator from Vermont was also a very able and conscientious member of the committee.

Mr. President, that is just what we are recommending now; we are following the lead of the Joint Committee on the Economic Report, under the chairmanship, at that time, of the distinguished senior Senator from Ohio, when that committee recommended a system of selective controls, back in the Eightieth Congress. We have simply reached in and taken a page out of their book, and have decided that now, when we are faced with increasing prices—although they are still not as high as they were in the 1940's.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. TAFT. The Joint Committee on the Economic Report recommended no such thing. It said that if Congress were asked to provide authority to control a particular item, Congress might provide such authority, but that Congress should provide no powers whatsoever beyond that.

There are, perhaps, a few items which could be controlled selectively.

The Joint Committee on the Economic Report never recommended the provision of any general discretionary power on the part of the President to control the economy or to fix prices or wages. However, if the President wanted to deal with a particular commodity and wanted to ask Congress for authority to do so, the Joint Committee on the Economic Report recommended that Congress consider granting such authority.

Mr. SPARKMAN. Mr. President, I have only a short time available to me.

Of course the Senator from Ohio is correct in his statement, and it is in accordance with what I said before his return to the Chamber.

The President did recommend selective controls; and the Joint Committee on the Economic Report, under the chairmanship of the able Senator from Ohio, said that could be done, but said it did not believe such controls could be extended over a wide field without going into general controls.

Selective controls are what we are recommending now.

During the time this bill has been under consideration, I think we have

seen it have a helpful effect by reason of the suggestion that we were about to provide for selective controls. We saw prices run away in the case of a few items—for instance, prices on certain grades and classes of lumber and on certain cuts of meat, and on hides, rubber, tin, and a few other articles; but there has not been a stiff increase all the way across the board.

Mr. Ewan Clague, Director of the Bureau of Labor Statistics, testified before the committee that the cost-of-living index has risen very little, but that in a certain number of outstanding items there has been a very sharp increase in price.

That is why we voted in favor of giving the President the power to impose selective controls.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield, but only briefly, because my time is so limited.

Mr. SALTONSTALL. Will the Senator explain how it is fair to a steel worker in Pittsburgh, for instance, to have his wages controlled, if the wages of an aluminum worker in the same city are not controlled?

Mr. SPARKMAN. The Senator has asked a question which I cannot answer in a short time but I am sure the Senator from Massachusetts can see that there could be occasions when it would not be necessary to control the wages of labor in one particular field, but would be necessary to control the wages of labor in another field, or that there could be cases where prices in one field would not need to be controlled, but where prices in another field would need to be controlled.

However, the question is whether there are to be selective controls of any kind, both price controls and wage controls. We are simply following the lead of the Joint Committee on the Economic Report, in its report to the Eightieth Congress, in which it said that selective controls could be effectively imposed. After all, we do not have to have a total control of all prices and wages just because we want to control the price of meat or rubber. What we want to be able to do is to prevent high prices for a few items and prevent them from spilling over into the rest of the economy and kindling the fires of an all-out inflation.

The PRESIDING OFFICER. The time of the Senator from Alabama has expired.

Mr. WHERRY. Mr. President, has all time expired?

The PRESIDING OFFICER. No; the Senator from South Carolina has 5 minutes.

Mr. SPARKMAN. Mr. President, the Senator from South Carolina said that he would yield that time to the Senator from Illinois.

The PRESIDING OFFICER. Very well.

Mr. DOUGLAS. Mr. President—

The PRESIDING OFFICER. The Senator from Illinois is recognized for 5 minutes.

Mr. DOUGLAS. Mr. President, the salient passage is on page 40.

Mr. WHERRY. Mr. President, will the Senator yield, to permit me to propose a parliamentary inquiry?

Mr. DOUGLAS. Provided the time required for that purpose is not taken from my time.

Mr. WHERRY. Of course I suppose it must be taken from someone's time.

Mr. DOUGLAS. I do not yield, if the time required for that purpose is to be taken from my time.

Mr. President, the proposal is that the President of the United States exercise controls only in cases where there has been an excessive and an inflationary rise in the price of materials. In other words, the selective controls are proposed to be limited to cases where there have been run-away prices.

If we consider the 28 commodities which are traded on the commodity exchanges, we find that the records for those commodities show an average price increase of 16 percent in the first month following the invasion of Korea. In the case of the 980 commodities, the increase was only 6 percent; and the increase in the cost of living was only from 2 to 3 percent.

In other words, the increase in prices had been confined to a small number of commodities. We find that of the 28 commodities traded on the commodity exchanges, a large increase in prices occurred in the case of rubber, tin, cocoa, coffee, sugar, zinc, meat, and lumber.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I do not have the time to yield.

Mr. President, if we consider the situation in the case of the commodities I have just mentioned, we find that two-thirds of them were imported commodities, which really involve no domestic problem whatsoever.

It seems to me that particularly in the case of the imported commodities which are purchased by us from countries where cartels control the price, it might be possible for the President of the United States to impose price ceilings, and thus hold down the wholesale price level and the level of the cost of living, and possibly prevent the need for general price controls.

The proposal to give to the President the power to impose selective controls is really a means of reducing the necessity for and the danger of having general price controls.

So I hope very much that the amendment of the Senator from Ohio will be rejected.

Mr. WHERRY. Mr. President, is any time left?

Mr. MAYBANK. Mr. President, has all my time been used?

The VICE PRESIDENT. The Senator from South Carolina has 2½ minutes remaining.

Mr. WHERRY. Mr. President, will the Senator yield to me very briefly?

Mr. MAYBANK. Mr. President, it seems that the sentiment of the Senate is to vote on this question, judging from the expressions I have heard. However, I yield now to the Senator from Nebraska.

Mr. WHERRY. I thank the Senator from South Carolina; I appreciate very much his courtesy.

Mr. MAYBANK. I must inform the Senator that I am going to vote against the amendment.

Mr. WHERRY. That is perfectly all right.

Mr. President, I wish to say to the Senate that on the basis of years of experience with OPA as applied to meat and after long experience with the so-called selective control system, we found that there cannot be an effective Price Control Act unless we control the prices of all products and unless we control wages.

If Senators really wish to do a thorough job and really wish to give standby powers to the President, so as to permit him to control prices and prevent inflation, that is the only way to do it.

For instance, consider meat. We controlled the price of meat at the consumer level, but we did not control it at the producer level. For a long time we did not control the price of corn. If the price of meat is controlled, it is necessary to control the price of corn. If the price of corn is controlled, it is necessary to control the price of wheat. If the price of wheat is controlled, it is necessary to control the prices of all the cereal grains. If the price of meat is controlled, it is necessary to control the price of poultry. It is merely silly to stand on the Senate floor and think that anyone can do the job of controlling prices in this country, particularly the prices of food and wages in industry, unless we go clear across the board. That is the only way to have an effective price control act. That is the way it should be, if we want to have the job done.

The same thing can be done with every other commodity mentioned by the distinguished Senator from Illinois. Steel can be included, and if it is, then it will become necessary to include all subsidiaries of the big steel companies, all the way through, otherwise gray markets will spring up which cannot be policed. It would be impossible to employ enough people to police them. It is necessary to go one way or the other. I should like to see this done voluntarily, but if it cannot be done that way, the President then says that in order to protect the national security and to get production and keep inflation down, he wants controls. When that happens, we should be sure that price ceilings and wage controls are applied simultaneously. I want to thank the distinguished Senator for the 2½ minutes.

Mr. MAYBANK. I am always happy to yield to my friend from Nebraska. But, unfortunately, the Senator points to the dark side of the picture. I should like to think we will not be required to use these controls at all. The committee was hopeful that in providing for selective controls it would be unnecessary to go into all-out controls, which, as the Senator from Nebraska says, may become necessary. We are hopeful that that will be unnecessary.

Mr. WHERRY. That is also my hope.

Mr. MAYBANK. I agree thoroughly

with what the Senator from Alabama and the Senator from Illinois have said. Some of their remarks I did not hear.

The PRESIDING OFFICER. The Senator's time has expired. All time has expired. The question is on agreeing to the amendment of the Senator from Ohio [Mr. BRICKER], as modified.

Mr. WHERRY and other Senators requested the yeas and nays.

The yeas and nays were ordered.

Mr. HUMPHREY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hickenlooper	Martin
Anderson	Hill	Maybank
Benton	Hoey	Millikin
Brewster	Holland	Morse
Bricker	Humphrey	Mundt
Bridges	Hunt	Murray
Butler	Ives	Myers
Byrd	Jenner	O'Connor
Capehart	Johnson, Colo.	O'Mahoney
Chapman	Johnson, Tex.	Pepper
Chavez	Johnston, S. C.	Robertson
Connally	Kefauver	Saltonstall
Cordon	Kem	Schoeppel
Darby	Kerr	Smith, Maine
Donnell	Kilgore	Smith, N. J.
Douglas	Knowland	Sparkman
Dworshak	Langer	Stennis
Eaton	Leahy	Taft
Ellender	Lehman	Taylor
Ferguson	Lodge	Thomas, Utah
Flanders	Long	Thye
Frear	Lucas	Tobey
Fulbright	McCarran	Watkins
George	McCarthy	Wherry
Gillette	McClellan	Wiley
Graham	McFarland	Williams
Green	McMahon	Withers
Gurney	Magnuson	Young
Hendrickson	Malone	

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to the amendment of the Senator from Ohio, as modified.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from South Carolina will state the inquiry.

Mr. MAYBANK. Am I correct in my understanding that the amendment of the Senator from Nebraska was accepted by the Senator from Ohio as a modification of the amendment offered by him?

Mr. WHERRY. It was accepted by the Senator from Ohio.

Mr. MAYBANK. As I understood, the Senator from Nebraska, in answer to a question of mine, answered that if this amendment were agreed to selective price controls would, of course, be done away with.

Mr. WHERRY. That is correct.

Mr. MAYBANK. So that is the issue. I merely wanted to emphasize the issue.

Mr. WHERRY. Mr. President, since the Senator has raised the question, I should like to have 10 seconds for a reply. The amendment of the Senator from Ohio, as now modified by the amendment of the Senator from Nebraska, does exactly what the Senator has said. Of course, it is still a stand-by power, but if it goes into effect it will go clear across the board.

The PRESIDING OFFICER. The question is on the amendment of the

Senator from Ohio [Mr. BRICKER], as modified.

Mr. BRICKER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BRICKER. Am I correct that the vote is on the amendment of the Senator from Ohio, as modified on the suggestion of the Senator from Nebraska, and that the question is not on the amendment of the Senator from Nebraska?

The PRESIDING OFFICER. That is correct. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

The Senator from Tennessee [Mr. McKELLAR] and the Senator from Oklahoma [Mr. THOMAS] are necessarily absent.

The Senator from Georgia [Mr. RUSSELL] is unavoidably detained on official business, and if present would vote "yea."

The Senator from Maryland [Mr. TYDINGS] is unavoidably detained on official business.

I announce that on this vote, the Senator from West Virginia [Mr. NEELY] is paired with the Senator from Washington [Mr. CAIN]. If present and voting, the Senator from West Virginia would vote "nay," and the Senator from Washington would vote "yea."

I announce further that if present and voting, the Senator from California [Mr. DOWNEY] and the Senator from Arizona [Mr. HAYDEN] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Michigan [Mr. VANDENBERG] is absent by leave of the Senate.

The Senator from Washington [Mr. CAIN], who is absent by leave of the Senate, is paired with the Senator from West Virginia [Mr. NEELY]. If present and voting, the Senator from Washington would vote "yea" and the Senator from West Virginia would vote "nay."

The result was announced—yeas 50, nays 36, as follows:

YEAS—50

Aiken	George	Martin
Brewster	Gillette	Millikin
Bricker	Gurney	Mundt
Bridges	Hendrickson	Saltonstall
Butler	Hickenlooper	Schoeppel
Byrd	Hoey	Smith, Maine
Capehart	Hunt	Smith, N. J.
Chapman	Ives	Stennis
Cordon	Jenner	Taft
Darby	Johnson, Colo.	Thye
Donnell	Johnson, Tex.	Tobey
Dworshak	Kem	Watkins
Eaton	Knowland	Wherry
Ellender	Lodge	Wiley
Ferguson	McCarthy	Williams
Flanders	McClellan	Young
Frear	Malone	

NAYS—36

Anderson	Graham	Kefauver
Benton	Green	Kerr
Chavez	Hill	Kilgore
Connally	Holland	Langer
Douglas	Humphrey	Leahy
Fulbright	Johnston, S. C.	Lehman

Long	Maybank	Pepper
Lucas	Morse	Robertson
McCarran	Murray	Sparkman
McFarland	Myers	Taylor
McMahon	O'Connor	Thomas, Utah
Magnuson	O'Mahoney	Withers

NOT VOTING—10

Cain	McKellar	Tydings
Downey	Neely	Vandenberg
Eastland	Russell	
Hayden	Thomas, Okla.	

So Mr. BRICKER's amendment, as modified, was agreed to.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART] to strike out title IV.

Mr. CAPEHART. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CAPEHART. Has the time expired?

The PRESIDING OFFICER. The time has expired.

Mr. CAPEHART. Mr. President, I move that the Senate reconsider the vote by which the amendment of the Senator from Ohio [Mr. BRICKER], as modified, was agreed to.

Mr. WHERRY. Mr. President, I move that that motion be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion of the Senator from Indiana that the Senate reconsider the vote by which the amendment of the Senator from Ohio, as modified, was agreed to.

The motion to lay on the table was agreed to.

Mr. CAPEHART. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CAPEHART. Will the Chair state the question?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana, which would strike out title IV.

Mr. CAPEHART and other Senators requested the yeas and nays.

Mr. WILLIAMS. Mr. President—

The PRESIDING OFFICER. For what purpose does the Senator from Delaware rise?

Mr. WILLIAMS. I wish to offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Delaware.

The LEGISLATIVE CLERK. At the appropriate place in the bill it is proposed to insert the following:

Notwithstanding any other provision of this act, whenever the President decides that either price ceilings or wage stabilization is necessary, he must simultaneously declare both into effect as of the same base period, such base period being a 30-day period selected prior to June 24, 1950.

Beginning on page 40, in line 23, with the word "regulations", strike out through page 41, line 8 and insert the following:

Whenever a ceiling is established for any material, service, or property, the President

shall prohibit any increase in any wage, salary, or other compensation paid by any seller of such material, service, or property.

Beginning on page 41, in line 19, with the word "regulations", strike out through page 42, line 3, and insert the following:

Whenever a ceiling is established for any material, service, or property, the President shall prohibit any increase in any wage, salary, or other compensation paid by any seller of such material, service, or property.

Mr. WILLIAMS. Mr. President—

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAYBANK. Has this amendment been submitted and printed prior to this hour?

Mr. WILLIAMS. Mr. President, I can explain it very easily—

Mr. MAYBANK. I did not ask that.

The PRESIDING OFFICER. There is no rule which requires that an amendment be submitted and printed prior to this time.

Mr. WILLIAMS. Mr. President, my amendment is in the same situation as is the amendment regarding tobacco, which was passed on earlier in the day.

Mr. MAYBANK. Mr. President, I had nothing to do with the tobacco amendment. The Committee on Agriculture and Forestry suggested that amendment.

Mr. WILLIAMS. Mr. President, we have just adopted an amendment offered by the junior Senator from Ohio which provides that if the President shall decide to put into effect either price or wage controls he must put them both into effect. But it does not provide that they must be computed as of the same base period. My amendment provides that if the President decides to take action which freezes either prices or wages, he must select for both the same base period, and it must be some 30-day period prior to the outbreak of the Korean hostilities. Under the bill the President would have power, notwithstanding any future wage freeze, to order wage increases in any industry which in his opinion could absorb such wage increases without corresponding price increases. In my opinion there is no such thing as a wage increase which does not result in a commensurate price increase in the manufactured product. My amendment strikes out that elective power of the President, and it says that if he is to establish either price or wage ceilings he must establish both of them as of the same date, using as a base some 30-day period prior to June 24 or the beginning of the Korean hostilities. He would be allowed to make no exception except as the Board makes exceptions to correct certain inequities.

Mr. MAYBANK. Mr. President, I do not want to take much time on the amendment. However, the amendment which the Presiding Officer, the Senator from Virginia, and I offered was printed, and a statement was made. I have not seen any statement on this amendment. I do not know how far the amendment goes. I want it understood that the

other amendment was printed and was lying on the table.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. WILLIAMS. Yes.

Mr. FLANDERS. I should like to know whether the Senator is proposing a roll-back of both wages and prices to some period prior to June 25.

Mr. WILLIAMS. Not necessarily. I am proposing that whatever date is selected for prices and wages must be applicable to both, and whatever base period is selected must be a 30-day period prior to the outbreak of the Korean hostilities. Otherwise, any base period selected this side of June 24 would be the equivalent of paying a premium to any retailer or manufacturer who jumped the gun, and made unnecessary increases in his prices as well as any union that now rushed forward to obtain wage increases.

Mr. FLANDERS. It does not require an automatic roll-back?

Mr. WILLIAMS. No; it merely provides that both the wage earner and farmer be treated alike.

Mr. TYDINGS. I could not hear everything the Senator from Delaware said. Did I understand him to say that if a date is decided upon, it must be a date prior to the outbreak of the Korean hostilities?

Mr. WILLIAMS. Yes. Whatever base period for establishing wage or price ceilings is selected it must be some period prior to the beginning of hostilities.

Mr. TYDINGS. Unless that is done, we would have a situation where prices have gone up and wages have not gone up. Unless there is a roll-back to a date prior to the beginning of hostilities, it would not be fair to all.

Mr. WILLIAMS. I agree, and that is why I am offering my amendment. I may also point out that this amendment would automatically repeal the provisions in the bill exempting certain agricultural products from any special consideration. That should be done in fairness to all agriculture.

Mr. MAYBANK. So far as I can gather, without reading all of the amendment, it is identical with the amendment we have already voted on. I yield 2 minutes to the Senator from Illinois.

Mr. DOUGLAS. I do not have before me a copy of the amendment offered by the Senator from Delaware, which indicates the difficulty under which we are operating.

However, as I listened to its reading it seemed to be identical with the proposal made by the Senator from Ohio [Mr. BRICKER], which was recently defeated, namely, to require wages and prices to be stabilized as of the same date. If that is true—and I think it is true—the same objection holds, namely, that if we stabilize prices as of a given period, we would allow for price increases, which go to an employer. However, since wages lag behind prices we would not give to the workingman an opportunity to have his wages catch up with the increase in prices. Therefore, the effect of such a proposal would be to decrease the standard of living of the workers while giving

speculative increases in prices to the employers.

Mr. TAFT. The base period must be prior to June 24, the date set out in the amendment. The Koreans attacked on the 25th.

Mr. DOUGLAS. That takes care of any increase since that date. However, there was a rise in prices during the preceding month. Prices had been going up, and wages had not been rising. So the amendment is a proposal to let the pre-Korean increase go to the holders of commodities but not to the workingmen themselves.

Mr. BRICKER. Under the amendment I think the President could go back previous to the increase in the month before the Korean outbreak.

Mr. DOUGLAS. It speaks of an average of a 30-day period.

Mr. THYE. May I ask a question of the author of the amendment?

Mr. WILLIAMS. I yield.

Mr. THYE. Am I to understand that the producer of a commodity which was not up to parity as of June 15th or 25th, to whichever date reference is made, would have his price frozen at the price which prevailed at that time?

Mr. WILLIAMS. Not necessarily, but it would make it possible to freeze it as of that date. Do not forget this bill is supposed to protect the consumer against unnecessary price increases. It would repeal that provision as I said before—and I want it clearly understood—that Senators in voting for the amendment would be voting for the repeal of the special exemption which was placed in the bill earlier this afternoon whereby basic agricultural commodities would be entitled to special consideration. I do not think that other amendment should have passed. We cannot allow 10 percent increases in certain agricultural commodities and then consider freezing all other commodities without a corresponding increase.

Mr. THYE. I am sure that the Senator from Delaware is aware of the fact that certain producers were not at parity. In fact, certain producers were far below parity. If it is the intent of the Senator from Delaware to freeze those commodities at below parity, I do not believe the amendment should be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware.

Mr. WILLIAMS and other Senators requested the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

The Senator from Georgia [Mr. RUSSELL] is unavoidably detained on official business.

The Senator from Oklahoma [Mr. THOMAS] is necessarily absent.

I announce further that if present and voting, the Senator from California [Mr. DOWNEY], the Senator from Arizona [Mr. HAYDEN], the Senator from West Virginia [Mr. NEELY], and the Senator from Georgia [Mr. RUSSELL] would vote "nay."

Mr. SALTONSTALL. The Senator from Washington [Mr. CAIN] and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Vermont [Mr. FLANDERS], the Senator from South Dakota [Mr. GURNEY], and the Senator from Indiana [Mr. JENNER] are detained on official business.

The result was announced—yeas 11, nays 74, as follows:

YEAS—11

Bricker	Eaton	Martin
Bridges	Frear	Taft
Byrd	Kem	Williams
Cordon	Knowland	

NAYS—74

Aiken	Humphrey	Morse
Anderson	Hunt	Mundt
Benton	Ives	Murray
Brewster	Johnson, Colo.	Myers
Butler	Johnson, Tex.	O'Connor
Capehart	Johnston, S. C.	O'Mahoney
Chapman	Kefauver	Pepper
Chavez	Kerr	Robertson
Connally	Kilgore	Saltonstall
Darby	Langer	Schoeppel
Donnell	Leahy	Smith, Maine
Douglas	Lehman	Smith, N. J.
Dworshak	Lodge	Sparkman
Ellender	Long	Stennis
Ferguson	Lucas	Taylor
Fulbright	McCarran	Thomas, Utah
George	McCarthy	Thye
Gillette	McClellan	Tobey
Graham	McFarland	Tydings
Green	McKellar	Watkins
Hendrickson	McMahon	Wherry
Hickenlooper	Magnuson	Wiley
Hill	Malone	Withers
Hoey	Maybank	Young
Holland	Millikin	

NOT VOTING—11

Cain	Gurney	Russell
Downey	Hayden	Thomas, Okla.
Eastland	Jenner	Vandenberg
Flanders	Neely	

So Mr. WILLIAMS' amendment was rejected.

The VICE PRESIDENT. The question now recurs on the motion of the Senator from Indiana [Mr. CAPEHART] to strike out title IV. The yeas and nays have been ordered.

Mr. MAYBANK. Mr. President, there was so much confusion I could not hear what the Chair announced. As I understand, the yeas and nays have been ordered on the motion of the Senator from Indiana to strike out entirely title IV.

The VICE PRESIDENT. The Senator is correct.

Mr. WILLIAMS. Mr. President, I have one further amendment which I should like to offer at this time.

The VICE PRESIDENT. The Senator will send it to the desk, and it will be stated.

The CHIEF CLERK. On page 46, between lines 18 and 19, it is proposed to insert the following:

(h) Whenever any wage, salary, or other compensation is stabilized pursuant to the provisions of this section, the President shall, notwithstanding any other provision of law, prohibit any step-increase or other increase in the wage, salary, or other compensation payable to any employee in any branch, department, or agency of the United States, other than an increase by reason of transfer or promotion to an existing position which

has become vacant or to a new position which has been created because of an increased work load in such branch, department, or agency.

Mr. WILLIAMS. Mr. President, this amendment provides that at the time the President declares price and wage controls in effect he must, at the same time, freeze the wages and salaries and other compensation of all civilian Government employees.

During the last war this provision was not in effect, and we had the unfair situation where Government employees were receiving salary increases through in-grade promotions while at the same time wages in private industry were frozen.

If under S. 3936 we are going to authorize the President to freeze wages in private industry, I think we have no alternative other than to make it mandatory that the Government, the largest employer, comply with its own regulation.

We are proposing to freeze the prices of all agricultural products. If we do this, and thereby freeze the cost of living to the Government employee, it is only fair that he in turn should expect his own salary frozen along with other incomes.

Unless this amendment is adopted whereby Government employees are subjected to the same rules as will apply to other workers the bill will be unfair and will not work.

This bill has been loaded with so many amendments providing special exemptions for practically every pressure group that unless we are very careful it will in its final form be worse than no legislation at all. We have completely forgotten the American consumer.

We have—

First. Provided special exemptions for the farmers producing wheat, corn, cotton, peanuts, and tobacco protecting them against any prospective roll-back in prices to the level prevailing prior to the Korean outbreak.

Second. The Senate has accepted an amendment providing a special subsidy to the mining industry amounting to about \$100,000,000 annually. This is the same subsidy proposal which was rejected in 1948 and again in 1949. It has nothing to do with price controls.

Third. The Senate has rejected the amendment proposing that all non-essential Government construction be suspended for the duration of the emergency. This would release many strategic materials for our defense plants and at the same time reduce Government expenditures.

Fourth. Under an amendment which has been accepted, the Senate has empowered the President that (notwithstanding the fact that wage ceilings might be in effect) he can authorize wage increases in an industry which he thinks can absorb such increase without necessitating corresponding price increases in their products. We all know full well that there is no such thing as a wage increase without price increases.

Fifth. The amendment which I am now offering will eliminate one inequity in that it will strike out that provision

in the bill which now proposes to exempt Government employees from future wage freeze. Why should Government employees be exempted from the provisions of this bill?

Mr. President, I think we need both wage and price controls provided they could be enacted in a bill which would treat all groups on a basis of equality and I had announced my intention to vote for such controls. We also need to confer upon the President the power to allocate certain materials which are needed for our national defense as well as give him certain powers to control credit. This is essential not only to rebuild our military machine but also to check a very real inflationary threat.

But this bill will not protect the American housewife. This bill actually encourages higher prices for practically every commodity. It is loaded with so many special exemptions through attempts to take care of the different pressure groups that it will just not work.

It is most unfortunate that with American boys dying in Korea and with our country facing one of its most serious crises that the Congress will not forget politics long enough to enact the proper legislation. Every Member of Congress knows what legislation is needed and all that is required to enact that legislation would be for the Members of Congress to forget politics and stop trying to buy the 1950 elections under the guise of a national emergency. I am sorry that we are falling so completely to cope with this emergency. There is no such thing as half control, it must be all or none.

Mr. MAYBANK. Mr. President, I yield to my colleague from South Carolina [Mr. JOHNSTON].

Mr. JOHNSTON of South Carolina. As I understand the amendment, it would prevent automatic increases being made in various departments.

Mr. WILLIAMS. Yes.

Mr. JOHNSTON of South Carolina. And stop pay increases?

Mr. WILLIAMS. Yes.

Mr. JOHNSTON of South Carolina. Those are matters which we have already regulated by law. At any time further regulation is found to be necessary such regulation can be made by act of Congress at any time, or action can be taken in connection with an appropriation bill, or by provision for a change in the existing system. Therefore I bitterly oppose the amendment on the ground that it deals with what we have already provided by act of Congress.

Mr. WILLIAMS. I might say that the whole bill does a great many things that have been done previously.

Mr. MAYBANK. Mr. President, I have no desire to read the statement I have which deals with the amendment. I ask for a vote on the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS]. [Putting the question.] The "noes" seem to have it. The "noes" have it.

Mr. WILLIAMS. I ask for a division.

The VICE PRESIDENT. The Senator asks for a division a little late, but it will be given to him.

Mr. WILLIAMS. Mr. President, I ask for the yeas and nays.

Mr. MAYBANK. Let us have the yeas and nays.

The yeas and nays were not ordered.

The VICE PRESIDENT. A division has been requested.

On a division Mr. WILLIAMS' amendment was rejected.

The VICE PRESIDENT. The question now is upon the motion of the Senator from Indiana [Mr. CAPEHART] to strike out title IV, upon which the yeas and nays have been ordered. The Secretary will call the roll.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DOUGLAS. What is the motion before the Senate?

The VICE PRESIDENT. The motion is that of the Senator from Indiana [Mr. CAPEHART] to strike out title IV. The Secretary will call the roll.

The Chief Clerk called the roll.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

The Senator from Georgia [Mr. RUSSELL] is unavoidably detained on official business.

The Senator from Oklahoma [Mr. THOMAS] is necessarily absent.

I announce further that if present and voting, the Senator from California [Mr. DOWNEY], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], the Senator from West Virginia [Mr. NEELY], and the Senator from Georgia [Mr. RUSSELL] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The senior Senator from New Hampshire [Mr. BRIDGES], the Senator from Oregon [Mr. CORDON], the Senator from Vermont [Mr. FLANDERS], the Senator from South Dakota [Mr. GURNEY], the Senator from Indiana [Mr. JENNER], the Senator from Nevada [Mr. MALONE], and the junior Senator from New Hampshire [Mr. TOBEY] are detained on official business.

The result was announced—yeas 6, nays 75, as follows:

YEAS—6

Bricker	Eaton	Taft
Capehart	Kem	Williams

NAYS—75

Alken	Frear	Johnson, Tex.
Anderson	Fulbright	Johnson, S. C.
Benton	George	Kefauver
Brewster	Gillette	Kerr
Butler	Graham	Kilgore
Byrd	Green	Knowland
Chapman	Hendrickson	Langer
Chavez	Hickenlooper	Leahy
Connally	Hill	Lehman
Darby	Hoey	Lodge
Donnell	Holland	Long
Douglas	Humphrey	Lucas
Dworshak	Hunt	McCarran
Ellender	Ives	McCarthy
Ferguson	Johnson, Colo.	McClellan

McFarland
McKellar
McMahon
Magnuson
Martin
Maybank
Millikin
Morse
Mundt
Murray

Myers
O'Connor
O'Mahoney
Pepper
Robertson
Saltonstall
Schoeppel
Smith, Maine
Smith, N. J.
Sparkman

Stennis
Taylor
Thomas, Utah
Thye
Tydings
Watkins
Wherry
Wiley
Withers
Young

NOT VOTING—15

Bridges
Cain
Cordon
Downey
Eastland

Flanders
Gurney
Hayden
Jenner
Malone

Neely
Russell
Thomas, Okla.
Tobey
Vandenberg

So Mr. CAPEHART's motion was rejected.

Mr. BYRD. Mr. President, I call up the amendment marked "8-11-50-R," which I offer. The amendment is offered on behalf of myself, the Senator from Michigan [Mr. FERGUSON], and the Senator from Nebraska [Mr. WHERRY].

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 82, in line 9, it is proposed to strike out "June 30, 1952" and insert in lieu thereof "June 30, 1951"; on page 32, line 8, to strike out "June 30, 1952" and insert in lieu thereof "June 30, 1951"; on page 37, lines 7 and 8, to strike out "June 30, 1952" and insert in lieu thereof "June 30, 1951"; on page 77, lines 17 and 18, to strike out "June 30, 1952" and insert in lieu thereof "June 30, 1951."

Mr. BYRD. Mr. President—

The VICE PRESIDENT. The Senator from Virginia is recognized for 5 minutes.

Mr. BYRD. When the control bill was passed by the House of Representatives, a provision was added to have it expire on June 30, 1951. This amendment, if it is adopted, will make the Senate bill conform to the House bill.

I think this amendment is very important because at this time no one can foretell the extent of the emergency with which we are dealing. It may be much greater than we now think, or it may not be so great.

This amendment will give the Congress an opportunity to review this measure and to reenact such parts of it as Congress may see fit to reenact, or to make this measure stronger, or to do whatever Congress may think best to be done under the circumstances existing at that time.

I imagine that Congress will be in virtually constant session throughout the spring of next year, and certainly until June 30, although it may be that thereafter there will be a recess from time to time. The amendment will give us a chance to see where we are going—which is more than we are able to tell now.

I congratulate the committee for doing such fine work in a very brief period. Necessarily this measure was prepared in a very short time.

I think this bill confers on the President the greatest power ever conferred on a President of the United States in time of peace. I think the Senate should retain the right, under the expiration date now proposed—which will conform with that provided by the House of Representatives—to review the measure next spring and see what should be done further.

Mr. President, I yield 1 minute of my remaining time to the Senator from Nebraska [Mr. WHERRY].

The VICE PRESIDENT. The Senator from Nebraska is recognized for 1 minute.

Mr. WHERRY. Mr. President, I am a cosponsor of the amendment. I wish to endorse everything which has been said by the senior Senator from Virginia.

Possibly it is because I am a member of the Appropriations Committee that I feel that reviews are very desirable in connection with legislative enactments and the regulations and controls which go with them.

If at the end of a year the situation confronting us is worse than is the present situation, certainly there will be no difficulty about extending these controls. On the other hand, as the distinguished Senator from Virginia and other Senators already have said this afternoon, this bill provides a great deal of power. If the bill is administered constructively, certainly a review would reveal that, and the chances are that then there would be no difficulty in continuing the powers now proposed in the bill.

Certainly one way to find out about that situation and to correct any inequities is to have a review made. The best way to provide for the making of a review is to provide a termination date for the granting of the authority and the powers. I insisted upon having that done in the case of the selective service bill.

I believe that at the end of 1 year is a good time at which to have a review made, and then to determine whether to extend the powers or to withdraw them.

The VICE PRESIDENT. The time of the Senator from Nebraska has expired.

Mr. BYRD. Mr. President, I yield 1 minute to the Senator from Michigan [Mr. FERGUSON].

The VICE PRESIDENT. The Senator from Michigan is recognized for 1 minute.

Mr. FERGUSON. Mr. President, I have joined in sponsoring the amendment to limit this legislation to 1 year, to August 31, 1951, because I believe we are facing an emergency; otherwise no such legislation is necessary. I am of the belief that if we take this firm stand and prepare for any emergency, indicating to the Soviet Union and the other countries of the world that we are determined to prepare for the worst that could happen and to stop aggressions which may become a third world war, we may be able to stave off and prevent such a war.

I believe that if we limit the operations under this bill by providing that the authority granted under it shall expire next year, that will make it possible for Congress to review the entire proceedings under the bill and to do so during the first part of the next session of Congress.

In this measure we are granting great power, exceptional power, to the Executive; we are doing so on the basis of the facts we have before us today. If it was only to take care of the crisis in Korea, we would not need these controls.

We must be prepared for a greater emergency if it comes, and as it looks now it may come at any time; but we should look at the facts as they will appear after the next session of Congress begins in January 1951, and determine what controls we then need to prevent inflation and prepare for this national security.

The VICE PRESIDENT. The time of the Senator from Michigan has expired.

Mr. BYRD. Mr. President, I yield 1 minute to the Senator from California [Mr. KNOWLAND].

The VICE PRESIDENT. The Senator from California is recognized for 1 minute.

Mr. KNOWLAND. Mr. President, I desire to support the amendment. For the reasons which have been stated by the Senator from Virginia [Mr. BYRD], the Senator from Michigan [Mr. FERGUSON], and other Senators, I think it is important that we provide this restriction on the power granted to the executive branch of the Government. If that is done, then after we return, following November, we shall have a chance to review the operations under this measure.

Mr. CAPEHART. Mr. President, I should like to ask the Senator from Virginia to consider making a modification of his amendment.

The VICE PRESIDENT. The time of the Senator from Virginia has expired.

Mr. CAPEHART. Then, Mr. President, I offer an amendment in the nature of a substitute, to provide that wherever the date "June 30, 1951" appears in the amendment, it be changed to "August 31, 1951."

The effect of my substitute will be to make the bill a 12-month bill. I have had such an amendment at the desk.

The VICE PRESIDENT. The Senator from Indiana is recognized for 5 minutes.

Mr. CAPEHART. I wonder whether the able Senator from Virginia is willing to accept the August 31 date.

Mr. BYRD. I will accept it.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. CAPEHART. I am glad to yield.

Mr. SALTONSTALL. What is the opinion of the Senator from Indiana or what is the opinion of the Senator from Virginia as to the ability to obtain men to operate the central agency if the powers are to be provided for a short time only. Will it be possible to set up the agency in a satisfactory way, in such case?

Mr. BYRD. The bill itself provides that it can be terminated by means of a concurrent resolution. Certainly this amendment would not provide much more than that, because under the bill as it now stands, the powers could be terminated by means of a concurrent resolution, which does not require the signature of the President.

Mr. MAYBANK. Mr. President—

The VICE PRESIDENT. The Senator from South Carolina is recognized for 5 minutes.

Mr. MAYBANK. Mr. President, on three different occasions the Senator from Indiana [Mr. CAPEHART] brought up the same amendment in the committee, and on three separate occasions the committee voted down the amendment.

In some instances I think there was only one vote in favor of the amendment, and at other times I think there were three votes in favor of the amendment.

When we were in executive session, we heard from General Bradley and also Secretary Symington. They begged and pleaded with us not to tie the hands of those whom they might employ to work under contract for an indefinite period, perhaps 10 months, possibly less. We have gone as far in this bill as it is possible for us to go. If Senators will refer to page 82 of the bill, they will find this language:

This act and all authority conferred hereunder shall terminate June 30, 1952, or at such earlier time as the Congress by concurrent resolution or the President may designate.

We further amended it by an amendment offered by the Senator from Ohio, to the effect that the Congress may annul any section of whatever bill we may pass. That is the situation with which we are faced. By concurrent resolution, we can annul titles I, II, III, and so forth. The members of the committee heard General Bradley and Secretary Symington and the heads of various other agencies in executive session, who begged and pleaded that there be no such limitation because of the condition suggested by the Senator from Massachusetts a few moments ago. The bill, if passed, would for example confer the right upon the President to employ men from industry. We have given full opportunity to all who desire to be heard before the committee. The Senator from Indiana [Mr. CAPEHART] himself brought this up three times. Am I correct in that?

Mr. CAPEHART. That is correct.

Mr. MAYBANK. It was voted down each time.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Michigan?

Mr. MAYBANK. I am glad to yield for a question.

Mr. FERGUSON. Does the Senator believe that, if there is no emergency requiring legislation of this kind, we should create jobs for those who might fill them temporarily, while we determine whether we need them?

Mr. MAYBANK. Mr. President, there were many amendments which I did not vote for, which were added by the committee. But if I did not believe there was an emergency, I should not be here tonight even to vote for this bill. The Senator knows that well.

Mr. FERGUSON. I join with the Senator. I would not be voting for it either.

Mr. MAYBANK. I want the Senate to know that the Congress can terminate any section of the act through a concurrent resolution, whenever it desires. General Bradley and Secretary Symington asked us to make the life of the law 2 years. I agree with the distinguished Senator from Virginia that the House did cut it down, but I am not certain that the House heard the remarks of General Bradley or of Secretary Symington and

their reasons for asking what they did. I yield a moment of my time to the Senator from Alabama, if I have that much time left.

The VICE PRESIDENT. The Senator has a minute and a half.

Mr. SPARKMAN. Mr. President, I desire to endorse what the chairman of the committee has said. It seems to me there is a psychological argument in favor of having this control measure last for a period of time, particularly when we consider the manner in which it has been safeguarded. The committee included a provision which would give the Congress the right, through a concurrent resolution, to terminate the entire act at any time it desired. On the floor of the Senate we adopted another amendment authorizing the Congress to terminate any section at any time it desired. It seems to me that if we want to do a full job, psychologically speaking, we should go into this thing as though we intend to do it. The agencies cannot get started under the bill within the 9-month period proposed by the amendment. In addition to the inability to get people to leave their work and come here and try to get the program going, I believe that psychologically the longer period is preferable.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I am glad to yield.

Mr. LUCAS. Is it not about time that the Congress recognized some of the prophecies and some of the requests that General Bradley has been making over the past 2 or 3 years?

Mr. SPARKMAN. I certainly think it is, and, as the chairman of the committee has so well pointed out, there was rather strong sentiment in the committee in favor of shortening the time, until we heard General Bradley in executive session. The committee then overwhelmingly and almost unanimously voted against shortening the period provided in the bill.

Mr. AIKEN. Mr. President, will the Senator yield?

The VICE PRESIDENT. The Senator's time has expired. All time has expired. The question is on agreeing to the amendment of the Senator from Virginia [Mr. BYRD], as modified.

Mr. BYRD. I ask that the amendment, as modified, be read.

The VICE PRESIDENT. The clerk will read the amendment, as amended.

The CHIEF CLERK. On page 32, line 8, it is proposed to strike out "June 30, 1952" and insert "August 31, 1951"; on page 37, line 7, strike out "June 30, 1952", and insert "August 31, 1951"; on page 77, line 17, strike out "June 30, 1952", and insert "August 31, 1951"; and on page 82, line 9, strike out "June 30, 1952", and insert "August 31, 1951."

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Virginia, as modified.

Mr. BYRD. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. MYERS. I announce that the Senator from California [Mr. Downey] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

The Senator from Oklahoma [Mr. THOMAS], and the Senator from Kentucky [Mr. WITHERS] are necessarily absent.

I announce that on this vote the Senator from West Virginia [Mr. NEELY] is paired with the Senator from Washington [Mr. CAIN]. If present and voting, the Senator from West Virginia would vote "nay," and the Senator from Washington would vote "yea."

I announce further that if present and voting, the Senator from California [Mr. DOWNEY], and the Senator from Arizona [Mr. HAYDEN] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Michigan [Mr. VANDENBERG] is absent by leave of the Senate.

The Senator from Washington [Mr. CAIN], who is absent by leave of the Senate is paired with the Senator from West Virginia [Mr. NEELY]. If present and voting, the Senator from Washington would vote "yea" and the Senator from West Virginia would vote "nay."

The Senator from Vermont [Mr. FLANDERS] and the Senator from South Dakota [Mr. GURNEY] are detained on official business.

The result was announced—yeas 38, nays 48, as follows:

YEAS—38

Brewster	Hickenlooper	O'Connor
Bricker	Jenner	Saltionstall
Bridges	Johnson, Colo.	Schoeppel
Butler	Kem	Taft
Byrd	Knowland	Thye
Capehart	Lodge	Tobey
Cordon	McCarran	Tydings
Donnell	McCarthy	Watkins
Dworschak	McClellan	Wherry
Eaton	Malone	Wiley
Ferguson	Martin	Williams
Fulbright	Millikin	Young
Hendrickson	Mundt	

NAYS—48

Alken	Holland	McMahon
Anderson	Humphrey	Magnuson
Benton	Hunt	Maybank
Chapman	Ives	Morse
Chavez	Johnson, Tex.	Murray
Connally	Johnston, S. C.	Myers
Darby	Kefauver	O'Mahoney
Douglas	Kerr	Pepper
Ellender	Kilgore	Robertson
Frear	Langer	Russell
George	Leahy	Smith, Maine
Gillette	Lehman	Smith, N. J.
Graham	Long	Sparkman
Green	Lucas	Stennis
Hill	McFarland	Taylor
Hoey	McKellar	Thomas, Utah

NOT VOTING—10

Cain	Gurney	Vandenberg
Downey	Hayden	Withers
Eastland	Neely	
Flanders	Thomas, Okla.	

So Mr. BYRD's amendment, as modified, was rejected.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. BENTON. Mr. President, I send to the desk an amendment and ask that it be stated.

The VICE PRESIDENT. The Secretary will state the amendment.

The CHIEF CLERK. On page 69, lines 7 and 8, and page 60, line 2, it is proposed to delete "construction"; on page 62, line 1, to delete "construction"; on page 62, line 5, to delete "new construction

on"; on page 62, lines 5 and 6, to delete "or real property on which there is new construction" and to delete the remainder of line 6 and from line 7 to and including "1950." in line 10; and on page 62, line 13, to delete "construction."

Mr. BENTON. Mr. President, these various changes add up to just one thing. This amendment authorizes the Federal Reserve Board to control credit over all privately financed real estate, and not merely over new construction. The bill as introduced contained such authority for the President. While my amendment does not propose to take the field from the Federal Reserve Board, it does expand the proposed power of the Federal Reserve Board in order to plug a loophole so transparently big that the proposed credit controls may be largely ineffective in controlling inflation in real estate.

It may be recalled that the President specifically mentioned this needed power in his recent letter to the President of the Senate regarding the bill. If the authority called for in this amendment is not included in the bill, I fear lack of credit controls over presently existing buildings will result in a severe inflationary boom in that field, as in the last war, should it become necessary to control credit on new construction. I think we are all familiar, Mr. President, with the issue involved in this subject, and I do not think I can contribute enlightenment by any further discussion on my part.

I urge the adoption of the amendment.

Mr. MAYBANK. Mr. President, I merely wish to say that I appreciate what the Senator from Connecticut has said, but I regret that because the amendment was defeated in committee, I cannot, as chairman of the committee, accept it. I would have to oppose it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. BENTON]. [Putting the question.]

The amendment was rejected.

Mr. WATKINS. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The CHIEF CLERK. On page 43, line 21, at the end of section 402 (d), it is proposed to insert the following:

Nothing in this subsection shall be construed to prohibit ceilings designed to allow a seller his normal percentage, cash, or other margin of profit; and ceilings shall be designed to allow sellers whose margin of profit is normally determined by the application of a percentage discount, mark-up, or other basis their normal margin of profit so determined.

Mr. WATKINS. Mr. President, an amendment, proposed by the Senator from Delaware [Mr. WILLIAMS], adopted by the Senate in its consideration of Senate bill 3936, Defense Production Act, is of some concern. That amendment provides that no ceiling price shall be established to allow a seller a "margin of profit greater than his average margin of profit" on sales of commodities and service during the representative period.

The retail automobile industry operates on a discount basis in purchasing automotive products from the manufac-

turer. The manufacturer suggests a retail list price, and the dealer buys his motor vehicles at an established discount from that list price. This method of doing business has been established over the years, and prices have moved downward, as well as upward, during that period.

During the last war OPA, in several instances, authorized price increases to the manufacturer on the basis of increased costs, and the dealer's discount remained the same. In the latter days of OPA that organization attempted to reduce the historic discount in the industry. This was resisted, and the Congress in 1946 adopted an amendment to the Emergency Price Control Act preventing OPA from changing this historic discount arrangement, section 10 (q), Price Control Extension Act of 1946.

Should price controls be reinstated, and the governmental agency in charge permit the manufacturer either to increase or decrease the list price, this would result in an increase or decrease in the dealer's dollar income.

If the words "margin of profit" were construed by the Administrator, after authorizing an increase in the list price, to place a ceiling on the dealer's dollar return, then this would have the effect of lowering the dealer's historic discount. If the prices of the manufacturer should go up because of costs, then likewise the retail industry has also increased costs, and the discount should remain the same, although it would produce additional dollar income. Conversely, should the price of the manufacturer be reduced, the retail industry would want the historic discount maintained even though it would mean a reduced dollar income. Thus, it is not the dollar income which is important but the maintenance of the discount rate. The words "margin of profit" might be constructed by an administrative agency to bring about a change in the retail dealer's historic discount.

The amendment is made necessary by the adoption of the amendment offered by the Senator from Delaware. It seems to me inasmuch as Congress once before acted upon this very problem and in 1946 passed the act, making this construction, that the Senate should adopt the amendment so that there will be no doubt about the fact that the historic practice will be approved and will not be the subject of argument back and forth. I suggest that the chairman of the committee take the amendment to conference.

Mr. MAYBANK. While I understand the desire of the Senator from Utah with respect to carrying the amendment to conference, I wish to point out there are still so many amendments pending which must be considered—

Mr. WATKINS. The subject of the amendment is pretty well known.

Mr. MAYBANK. The amendment was not printed. The Senator from Indiana advises that he has five amendments to offer. Am I correct?

Mr. CAPEHART. That is correct.

Mr. MAYBANK. The Senator from Indiana has five amendments. There are several amendments that will be offered from this side of the aisle. I do

not know whether the Senator from Ohio [Mr. TAFT] intends to offer his amendment with respect to title V. I have the greatest affection for the Senator from Utah, but, as I said to the Senator from Connecticut, I simply do not have the capacity to understand all these amendments that come in at the last minute. They have not been presented before, and I have not had a chance to read them. I should like to do it, but shall simply have to be firm in saying—and I speak only for myself—that we should not accept any more amendments which have not been printed. We have many amendments before us. Title V and title VI have not been reached, and then there is the bill itself. It is now 5 minutes after 8. I will stay as long as it is necessary to stay, but I do not have anything more to say on this amendment.

Mr. WATKINS. May I inquire of the Senator, the chairman of the committee, if he is acquainted with the act passed in 1946? Was not that act taken into consideration by the committee in drafting the bill?

Mr. MAYBANK. Yes; I am familiar with the 1946 act. As the Washington Post said, it may be defined as a decontrol OPA Act. In my judgment it was a mistake. I was very well acquainted in 1941 and 1942 with the act at that time. If we attempt to write an OPA Act on the Senate floor, I do not think we shall get very far. We have very many amendments before us. I understand the minority leader has five amendments to offer. The Senator from Ohio has an amendment to title V. I am not in a position to accept any other amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. WATKINS].

The amendment was rejected.

Mr. CAPEHART. Mr. President, I send an amendment to the desk and ask the clerk to state it.

The CHIEF CLERK. On page 43, at the end of line 21, it is proposed to insert the following:

The powers granted in this title shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry, except where such action is affirmatively found by the President to be necessary to prevent circumvention or evasion of any regulation, order, or requirement under this title, and the method of controlling prices shall be based on the historical pricing practice and experience of the seller.

Mr. CAPEHART. The first portion of the amendment is an insertion taken from the bill which was passed by the House. It is essentially in the language which appears in section 2 (b) of the original Price Control Act. If we adopt the amendment we would be adopting what is already in the House bill.

Mr. MAYBANK. Since it is already in the House bill, it would be in conference. The distinguished Senator from Indiana, who is the Republican leader so far as this bill is concerned in the absence of the Senator from New Hamp-

shire [Mr. TOBEY], would be one of the conferees. I trust he will not press his amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART].

The amendment was rejected.

The VICE PRESIDENT. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

Mr. CAPEHART. Mr. President, I suggest the absence of a quorum.

Mr. MAYBANK. Will the Senator withhold his suggestion of the absence of a quorum?

Mr. CAPEHART. Yes.

Mr. MAYBANK. I have no right to presume, but I suppose the issue before us is title V. Would I be incorrect in assuming that?

Mr. WHERRY. If the Senator is directing the question to me, I would say yes. A few minutes ago the distinguished acting majority leader, the chairman of the committee, stated that the minority leader had five or six amendments to offer.

Mr. MAYBANK. I meant to say the Senator from Ohio [Mr. TAFT]. The Senator from Indiana told me he had five amendments too.

Mr. CAPEHART. Yes; I have some more amendments.

Mr. WHERRY. I agree that the amendment to title V is a very important amendment. I think we can have a quorum call and—

Mr. MAYBANK. I appreciate the fact that the Senator who rises and is recognized by the Chair has the floor. However, I wonder if we could get to title V, because I think several Senators wish to retire, or have other engagements.

Mr. WHERRY. I suggest to the acting majority leader that we go ahead with the quorum call and immediately thereafter take up the four or five amendments. In the meantime, the Senator from Ohio will be here to present his amendment to title V.

Mr. CAPEHART. Mr. President, I had intended to offer four other amendments which would simply clarify title IV of the bill, which is the OPA title. They are amendments which experience in World War II would suggest should be written into this bill.

I shall not offer the amendments, because I can see that the Senate will not accept them. All of which again proves that when we write title IV into the bill, which is an OPA title, and calls for the President of the United States to set up price control, wage control, and rationing, without holding any hearings whatsoever, and without calling in anyone who had any experience in World War II with respect to OPA, rationing, price control, or wage control, we are going to pass a bill which the President does not want—and he has said he did not want it and does not now want it—and we shall send the bill to the President of the United States and say to him, "There it is." I would say that there is not one Senator on the floor who understands the implications of title IV.

I am not going to offer the amendments. They are purely clarifying amendments. They are amendments which would have gone into the bill if we had had hearings and had invited to appear those who had had a world of experience in running the OPA and other activities. I am not going to offer the amendments because I do not believe the Senate is in any mood to take them.

The VICE PRESIDENT. Debate is out of order at the present time. There is no amendment pending on which a Senator may speak 5 minutes.

Mr. CAPEHART. Mr. President, I send an amendment to the desk, and I ask unanimous consent that the reading of the amendment be waived.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the amendment will not be read.

Mr. CAPEHART's amendment is as follows:

In line 16, on page 43, before the word "Any", insert the following: "No adjustment of the ceiling with respect to wages, salaries, or other compensation for any type of employment shall be conditioned upon an agreement by the person for whom such employment is performed that such adjustment will not be used as justification for adjustment of the ceiling with respect to materials, services, or property sold by such person."

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the RECORD numerous telegrams and letters I have received on the subject I have been discussing.

The VICE PRESIDENT. Is there objection?

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

EVANSVILLE, IND., August 19, 1950.

HOMER CAPEHART,

Senate Building, Washington, D. C.:

We are opposed to price controls at present. In case of price controls, it must not be selective but should apply to all commodities and wages.

PAUL NIEHAUS,

Chairman, Vanderburgh County Farm Bureau, Inc.

MADISON, IND., August 19, 1950.

Senator CAPEHART,

Washington, D. C.:

We are opposed to price controls unless same applied to all commodities and wages.

HARTLEY C. STEIN,

President, Jefferson County Farm Bureau.

WARSAW, IND., August 21, 1950.

Senator HOMER CAPEHART,

Washington, D. C.:

We are definitely opposed to price control at present. But when necessary they should apply to all commodities and wages.

MILO ROBBINS,

President, Kosciusko County Farm Bureau.

CROWNPOINT, IND., August 19, 1950.

Senator CAPEHART:

The Lake County Farm Bureau opposes price control at present. In event of price controls, they must not be selective, but should apply to all commodities and wages.

WILLIAM A. BECKER,

President, Lake County Farm Bureau, Inc.

MITCHELL, IND., August 21, 1950.

Senator CAPEHART,
Washington, D. C.:

Indiana Farm Bureau, seventh district, wishes to go on record opposing price controls at present. In event of price controls, we recommend it apply to all commodities and wages.

WAYNE M. MANN,
Seventh District Director, Indiana
Farm Bureau, Orleans, Ind.

BLOOMINGTON, IND., August 19, 1950.

Senator HOMER CAPEHART,
Washington, D. C.:

Concerning production bill coming up for Senate vote Monday, we oppose price controls at present. In event of price controls must not be selective but should apply to all commodities and wages.

MONROE COUNTY FARM BUREAU, INC.,
CECIL L. MOORE, President.

GREENSBURG, IND., August 19, 1950.

Senator HOMER CAPEHART,
Washington, D. C.:

Decatur County farmers are opposed to price controls at present. In event of price controls they must not be selective but should apply to all commodities and wages. We solicit your support in this matter.

DECATUR COUNTY FARM BUREAU,
RALPH P. ONSLER, President.

GREENCASTLE, IND., August 19, 1950.

Senator HOMER E. CAPEHART,
United States Senate Building,
Washington, D. C.:

We, the Putnam County Farm Bureau, oppose price controls at present. If they must be should apply to all commodities and wages.

EVERETT WALLACE,
County President, Coatesville, Ind.

TERRE HAUTE, IND., August 19, 1950.

Senator HOMER CAPEHART,
Washington, D. C.:

Definitely not in favor farm-price controls without controlling labor and everything.

FRED MORGAN,
Hog Feeder.

LA FAYETTE, IND., August 19, 1950.

Senator HOMER CAPEHART,
Senate Building, Washington, D. C.:

We urge opposition to price controls at present. In event of price controls they should apply to commodities and wages.

MARTIN L. GALEMA,
President, Tippecanoe County Farm
Bureau.

LA PORTE, IND., August 20, 1950.

Senator HOMER E. CAPEHART,
Washington, D. C.:

Strongly urge your effort on defense production bill 3936, that if price ceilings be imposed Congress make it mandatory that price and wage controls be applied simultaneously.

CLAYTON L. RHOADE, Vice President,
Indiana Cattle Feeders Association.

TERRE HAUTE, IND., August 21, 1950.

Senator CAPEHART:

I have discussed with a number of people the defense production bill S. 3936. We believe that for the best interest of our Nation, if and when price and wage controls are necessary, they would be applied across the board at the same time.

WILLARD JONES.

LOGANSPOUT, IND., August 21, 1950.

Senator CAPEHART,
Senate Office Building,
Washington, D. C.:

Not in favor of price and wage ceiling at present time but if necessary it should not be selected but should all be affected.

WILBER BURROUS,
Cass County Farm Bureau Chairman.

WAYNETOWN, IND., August 19, 1950.

Senator HOMER CAPEHART,
United States Senate:

Strongly oppose controls at this time re defense production bill.

RUSSELL MOFFETT,
Fountain County Farm Bureau.

COLUMBUS, IND., August 19, 1950.

The Honorable Senator HOMER CAPEHART,
Senate Office Building:

Farmers generally are expressing themselves as feeling that price and rationing controls are not necessary at this time. I hope you have a similar feeling and that you will oppose any legislation that might institute such controls.

GEORGE DOUP,
Columbus, Ind.

NORTH VERNON, IND., August 19, 1950.

HOMER CAPEHART,
Indiana Representative,
Senate Building, Washington, D. C.:

The Jennings County Farm Bureau Corp. wishes to express our views on the price control bill now being considered. We believe such a bill is uncalled for at the present time. In case of all-out war our view would be different. I am expressing the views of 755 Farm Bureau families of Jennings County which represent approximately 2,265 votes, respectively.

ORVAL MARTIN, President.

NEW CASTLE, IND., August 18, 1950.

Hon. HOMER E. CAPEHART,
United States Senator,
Senate Office Building,
Washington, D. C.:

Representing 1,549 farm families of Henry County we are opposed to price control at this time and to selective price control at any time. It is our considered judgment that the military clique, bureaucratic advocates, and domineering labor chiefs may use the present incident to further their interests.

HENRY COUNTY FARM BUREAU,
STANLEY WARNER, President.

LA FAYETTE, IND., August 21, 1950.

Senator CAPEHART,
Senate Office Building,
Washington, D. C.:

Respectfully urge opposition to price controls. Rationing farm products now. When necessary place controls on wages, commodities, and farm prices simultaneously.

LARRY BRANDON.

TIPTON, IND., August 18, 1950.

Senator CAPEHART:

Tipton County Farm Bureau oppose price control at present, in event of price control must not be selective but should apply to all commodities and wages.

TIPTON COUNTY FARM BUREAU,
IMEL MILLER, President.

HARTFORD CITY, IND., August 18, 1950.

Senator HOMER CAPEHART,
Congressional Building,
Washington, D. C.:

Blackford County Farm Bureau, 580 members, oppose price controls at present. Should such be necessary, we insist they be

on all commodities and wages, not farmers only.

COUNTY FARM BUREAU,
WALTER L. KNOX,
Chairman.

GOSHEN, IND., August 18, 1950.

Hon. HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

We oppose price supports at present. In event of price supports they must not be selective, but should apply to all commodities and wages.

GEORGE G. NEFF,
President, Elkhart County Farm Bureau.

SULLIVAN, IND., August 18, 1950.

Senator CAPEHART,
Washington, D. C.:

We wish to express our opposition to price supports at present. If price control is necessary it should cover all commodities and wages.

RUSH DAVIS,
President, Sullivan County, Ind.,
Farm Bureau.

BRAZIL, IND., August 18, 1950.

HOMER CAPEHART,
Senator from Indiana,
Washington, D. C.:

Am opposed to price control at present, in event of price control must not be selective, should apply to all commodities.

GORDON JACKSON,
President, Clay County Farm Bureau.

WABASH, IND., August 18, 1950.

Senator CAPEHART,
Washington, D. C.:

In regard to defense production bill we are voicing opposition to price control at present. In event of price controls they must not be selective but should apply to all commodities and wages.

ALBERT CARR,
President, Wabash County Farm Bureau, Inc.

HUNTINGTON, IND., August 18, 1950.

Hon. Senator HOMER E. CAPEHART,
Washington, D. C.:

Opposed to price control at present, in event of price control must not be selective but should apply to all commodities and wages.

HARRY COUCH,
President, Well County Farm Bureau.

MARION, IND., August 18, 1950.

Senator HOMER E. CAPEHART,
Washington, D. C.:

We are opposed to price controls at present; in event of controls must not be selective but should apply to all commodities and wages.

THE GRANT COUNTY FARM BUREAU.

WAVELAND, IND., August 18, 1950.

Senator CAPEHART,
United States Senate, Washington, D. C.:

Opposed to price control at present. If price control comes it should apply to all commodities and wages.

CARL PORTER,
President, Parke County Farm Bureau.

COLUMBIA CITY, IND., August 18, 1950.

Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

The 1,000 Whitley County farmers, which I represent, demand price controls must not be selective, but apply to all commodities and wages. Why pick on farm people? We

oppose all controls at present and solicit your support in opposition. We ask that you see that all groups get controls at the same time.

MERLIN HINDEBAUGH,
President, Whitley County Farm
Bureau, Inc.

FORT WAYNE, IND., August 18, 1950.
Senator HOMER E. CAPEHART,
Senate Chambers,
Washington, D. C.:

The Allen County Farm Bureau is strongly opposed to price controls at this time. In the event controls become necessary we will support only when full control is enforced on both commodities and wages simultaneously.

BRICE B. SMITH, President.

INDIANAPOLIS, IND., August 18, 1950.
Senator HOMER E. CAPEHART,
Senate, Washington, D. C.:

Urgently request support for Wherry amendment to S. 3936, which would require the President if and when price controls are used to impose simultaneous price and wage controls over the entire economy.

INDIANA IMPLEMENT DEALERS ASSOCIATION.

ROCHESTER, IND., August 18, 1950.
Senator HOMER E. CAPEHART,
United States Senate Office Building,
Washington, D. C.:

Oppose price controls at present. In event of price controls they should apply to all commodities and wages.

JOHN H. DAWALD, President,
Fulton County Farm Bureau.

CORYDON, IND., August 18, 1950.
Hon. CAPEHART,
United States Senate Office Building,
Washington, D. C.:

Urge you vote against defense production bill, oppose price controls at present in event of price control, must not be selective, should apply to all commodities and wages.

EDMUND GREEN, President,
Harrison County Farm Bureau, Inc.

FRANKFORT, IND., August 18, 1950.
Senator HOMER CAPEHART,
Senate Office Building,
Washington, D. C.:

Price control bill unfair farmer. Urge vote against. Wages and other prices should be controlled same time.

FRANK KIRKPATRICK, President,
Clinton County Farm Bureau.

WILLIAMSPORT, IND., August 18, 1950.
Hon. HOMER CAPEHART,
Care United States Senate,
Washington, D. C.:

Warren County Farm Bureau urges no selective price control. If price control legislation is enacted it should apply to all commodities and wages.

EDWIN MAGEE, President,
Warren County Farm Bureau.

SCOTTSBURG, IND., August 18, 1950.
Senator CAPEHART,
Senate Office Building,
Washington, D. C.:

Our Scott County Farm Bureau unanimously favor price control, all commodities and wages, but no selective price control.

HAROLD CHRISTIE, President,
Scott County Farm Bureau.

INDIANAPOLIS, IND., August 18, 1950.
HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

In re defense production bill, S. 3936, do not feel price ceiling necessary at this time.

If price ceilings are to be imposed strongly urge you make it mandatory that price and wage controls be applied simultaneously straight across the board.

F. VERNE OSBORN,
Manager, Producers Marketing Association.

SWITZ CITY, IND., August 18, 1950.
Senator HOMER E. CAPEHART,
United States Senate,
Washington, D. C.:

In event price controls are absolutely necessary we favor them to apply to all commodities and wages and not selective groups.

OWEN YORK,
President, Green County Farm Bureau, Inc.

RUSHVILLE, IND., August 18, 1950.
Senator HOMER E. CAPEHART,
Senate Office Building,
Washington, D. C.:

Rush County Farm Bureau opposes defense production bill. In event price control they must not be selective, but should apply to commodities and wages.

GLEN A. RETHERFORD,
President, Rush County Farm Bureau.

WARRICK COUNTY FARM BUREAU, INC.,
Boonville, Ind., August 19, 1950.
Senator CAPEHART,
Washington, D. C.

HON. SENATOR CAPEHART: It is our opinion that in event this bill is passed price controls must not be selective but should apply to all commodities and wages.

Very truly yours,
H. ROLAND MOESNER,
Vice Chairman.

WARRICK COUNTY FARM BUREAU, INC.,
Boonville, Ind., August 19, 1950.
Senator CAPEHART,
Washington, D. C.

HON. SENATOR CAPEHART: It is our opinion that in event this bill is passed price controls must not be selective but should apply to all commodities and wages.

Very truly yours,
ALFRED WARNER,
Township Chairman.

WARRICK COUNTY FARM BUREAU, INC.,
Boonville, Ind., August 19, 1950.
Senator CAPEHART,
Washington, D. C.

HON. SENATOR CAPEHART: It is our opinion that in event this bill is passed price controls must not be selective but should apply to all commodities and wages.

Very truly yours,
LEO A. LUEBBEHUSEN,
Township Chairman.

WARRICK COUNTY FARM BUREAU, INC.,
Boonville, Ind., August 19, 1950.
Senator CAPEHART,
Washington, D. C.

HON. SENATOR CAPEHART: It is our opinion that in event this bill is passed price controls must not be selective but should apply to all commodities and wages.

Very truly yours,
HENRY MOESNER,
Township Chairman.

WARRICK COUNTY FARM BUREAU, INC.,
Boonville, Ind., August 19, 1950.
Senator CAPEHART,
Washington, D. C.

HON. SENATOR CAPEHART: It is our opinion that in event this bill is passed price controls must not be selective but should apply to all commodities and wages.

Very truly yours,
BERNARD WAGNER,
Township Chairman.

WARRICK COUNTY FARM BUREAU, INC.,
Boonville, Ind., August 19, 1950.
Senator CAPEHART,
Washington, D. C.

HON. SENATOR CAPEHART: It is our opinion that in event this bill is passed price controls must not be selected but should apply to all commodities and wages.

Very truly yours,
LOUIS ESCHÉ,
County Chairman.

WARRICK COUNTY FARM BUREAU, INC.,
Boonville, Ind., August 19, 1950.
Senator CAPEHART,
Washington, D. C.

HON. SENATOR CAPEHART: It is our opinion that in event this bill is passed price controls must not be selected but should apply to all commodities and wages.

Very truly yours,
LEROY FLEENER,
Township Chairman.

WARRICK COUNTY FARM BUREAU, INC.,
Boonville, Ind., August 19, 1950.
Senator CAPEHART,
Washington, D. C.

HON. SENATOR CAPEHART: It is our opinion that in event this bill is passed price controls must not be selected but should apply to all commodities and wages.

Very truly yours,
MRS. ARTHUR FISCHER.

WARRICK COUNTY FARM BUREAU, INC.,
Boonville, Ind., August 19, 1950.
Senator CAPEHART,
Washington, D. C.

HON. SENATOR CAPEHART: It is our opinion that in event this bill is passed price controls must not be selected but should apply to all commodities and wages.

Very truly yours,
OTTO MARKET,
General Insurance Agent.

WARRICK COUNTY FARM BUREAU, INC.,
Boonville, Ind., August 19, 1950.
Senator CAPEHART,
Washington, D. C.

HON. SENATOR CAPEHART: It is our opinion that in event this bill is passed price controls must not be selected but should apply to all commodities and wages.

Very truly yours,
EDWIN HEINSOHN,
Township Chairman.

WARRICK COUNTY FARM BUREAU, INC.,
Boonville, Ind., August 19, 1950.
Senator CAPEHART,
Washington, D. C.

HON. SENATOR CAPEHART: It is our opinion that in event this bill is passed price controls must not be selected but should apply to all commodities and wages.

Very truly yours,
VIRGIL GERHARDT,
Secretary-Treasurer.

WARRICK COUNTY FARM BUREAU, INC.,
Boonville, Ind., August 19, 1950.
Senator CAPEHART,
Washington, D. C.

HON. SENATOR CAPEHART: It is our opinion that in event this bill is passed price controls must not be selected but should apply to all commodities and wages.

Very truly yours,
EZRA EBRECHT,
Township Chairman.

Mr. SPARKMAN. Mr. President, will the Senator from Indiana yield?
Mr. CAPEHART. I yield.

Mr. SPARKMAN. In connection with the remarks the able Senator from In-

diana has just made with reference to writing title IV into the bill, I suppose he would include title V, and the Senator would like to have the RECORD show, I am sure, that the Committee on Banking and Currency voted almost unanimously to include those titles. In fact, as I recall, there was only one negative vote in the committee against including titles IV and V in the bill.

Mr. CAPEHART. Mr. President, I do not deny that what the Senator says is accurate, but I want the RECORD to show—and I have said it I do not know how many times on the floor of the Senate—that there were no public hearings held, and there were no witnesses before the committee, with respect to title IV, under which the very lifeblood of the Nation will be controlled. That section covering wage and price controls and rationing, which takes the people by the throat and controls their very lives, was adopted, without any hearing. Then the bill comes to the floor of the Senate, and numerous amendments are offered which Senators themselves do not understand, and we are going to send that sort of a bill to the President of the United States.

Mr. President, I am not going to offer the amendments which I have prepared, and I withdraw the one I have just offered.

The VICE PRESIDENT. The Senator withdraws the amendment.

Mr. MAYBANK. Mr. President, I appreciate what the distinguished Senator from Indiana has said about title IV, but the Senator himself offered amendment after amendment in the committee to freeze prices and wages.

Mr. CAPEHART. Mr. President, I never once offered an amendment to freeze wages.

The VICE PRESIDENT. In the absence of an amendment, debate is out of order.

Mr. MAYBANK. I understood the Senator offered an amendment.

The VICE PRESIDENT. The Senator withdrew his amendment.

Mr. CAPEHART. I rise to a point of order, and ask that the Senator from South Carolina retract his statement that I ever offered an amendment to freeze wages.

Mr. MAYBANK. Prices and wages.

Mr. CAPEHART. I never offered an amendment to freeze prices and wages. I offered an amendment to freeze prices.

Mr. MAYBANK. Naturally, I construed it, as did the members of the committee, as an amendment to freeze prices and wages. I say, in justice to the Senator from Indiana, that I did not hear him say "freeze wages."

Mr. CAPEHART. Of course, I never said it. That is why the able Senator did not hear it.

Mr. MAYBANK. The Senator certainly suggested freezing prices, on several occasions.

Mr. CAPEHART. That is an entirely different matter. I still maintain that the Congress of the United States should pass such a law the very minute the Nation goes to war. It would automatically freeze all prices at all levels in the United States.

Mr. MAYBANK. It is not possible to freeze all prices at all levels without freezing all wages.

Mr. CAPEHART. That is the Senator's opinion. I think it can be done.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. TAFT. Mr. President, I move to strike out title V.

Mr. MAYBANK. Mr. President, I suggest the absence of a quorum, because we are about to vote on a very important amendment.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hoey	Maybank
Anderson	Holland	Millikin
Benton	Humphrey	Morse
Brewster	Hunt	Mundt
Bricker	Ives	Murray
Bridges	Jenner	Myers
Butler	Johnson, Colo.	O'Connor
Byrd	Johnson, Tex.	O'Mahoney
Capehart	Johnston, S. C.	Pepper
Chapman	Kefauver	Robertson
Chavez	Kerr	Russell
Connally	Kilgore	Saltonstall
Cordon	Knowland	Schoepfel
Darby	Langer	Smith, Maine
Donnell	Leahy	Smith, N. J.
Douglas	Lehman	Sparkman
Dworshak	Lodge	Stennis
Eaton	Long	Taft
Ellender	Lucas	Thomas, Utah
Ferguson	McCarran	Thye
Frear	McCarthy	Tobey
Fulbright	McClellan	Tydings
George	McFarland	Watkins
Gillette	McKellar	Wherry
Graham	McMahon	Wiley
Green	Magnuson	Williams
Hendrickson	Malone	Withers
Hickenlooper	Martin	Young
Hill		

The VICE PRESIDENT. A quorum is present. The Senator from Ohio [Mr. TAFT] is recognized for 5 minutes on his motion to strike out title V.

Mr. TAFT. Mr. President, frankly I do not know what title V means or why it is in the bill. First, section 501 provides:

It is the intent of Congress, in order to provide for effective price and wage stabilization . . . that there be effective procedures for the settlement of labor disputes affecting national defense.

That is merely a statement of intention. That is what we have done already with all the procedures we have had in connection with the setting up of mediation boards, mediation commissioners, and the general methods provided in the Taft-Hartley law, even without this title. There are methods prescribed for the settlement of labor disputes. I cannot see what is meant unless it is wished to go further and impose compulsory arbitration. Does the language mean that?

Section 502 provides:

The national policy shall be to place primary reliance upon the parties to any labor dispute to make every effort through negotiation and collective bargaining and the full use of mediation and conciliation facilities to effect a settlement in the national interest.

That is what the present law does. In fact that is what the present law says. It says that sound, stable peace can most satisfactorily be arrived at by the settlement of issues between employers and

employees through the process of conference and collective bargaining.

This is language which is difficult to interpret and which seems to me to be exceedingly dangerous.

On page 58 we find the language:

The President is authorized, after consultation with labor and management, to establish such principles and procedures and to take such action as he deems appropriate for the settlement of labor disputes affecting national defense.

What does that mean? Does it mean that the President can draft the men into the Army as he proposed some years ago? Or does it mean that he can impose compulsory arbitration on labor and management in the settlement of their disputes? What does it mean? What is the theory of the language:

And to take such action as he deems appropriate for the settlement of labor disputes affecting national defense, including the designation of such persons, boards, or commissions as he may deem appropriate to carry out the provisions of this title.

We have set up a conciliation service. We have seen quite an effort on the part of the President to transfer that service to the Labor Department, to transfer the whole conciliation business to the Labor Department. That effort has been defeated by the Congress, I think, twice.

I read again:

Including the designation of such persons, boards or commissions.

If the President is only going to fix wages he has full power under title IV to appoint commissions to fix wages, if that is what he is going to do. What are these commissions going to do that the Mediation and Conciliation Service cannot already do?

At the end of section 5 we find the following language:

Any such action shall be consistent with the provisions of the Fair Labor Standards Act of 1938, as amended, other Federal labor standards statutes, the Labor-Management Relations Act, 1947, and with other applicable laws.

There are many things that can be done which are not inconsistent. That language prescribes one procedure. Under it, apparently, compulsory arbitration can be imposed, or apparently any other procedure that is desired can be adopted.

Mr. President, I never have seen such a wide open grant of authority. I may say that this title was in the House bill. It was stricken out by the House by a vote of nearly two to one after a debate on the subject which was of considerably greater length than we can hope to have here now.

Mr. BREWSTER. Mr. President, will the Senator yield for a question?

Mr. TAFT. I yield.

Mr. BREWSTER. As I understand, from what the Senator has said, title V either means something or it means nothing. If it means something no one knows what it means.

Mr. TAFT. Either it is a reaffirmation of the statutes we have, or it goes very much further and authorizes the President to impose practically any terms he wants to impose in the settlement of

labor disputes. If it is desired to impose compulsory arbitration in time of war—and it is perfectly possible that such a desire exists—then it seems to me that purpose ought to be spelled out. But the language is completely ambiguous, and appears to me to have no possible justification for being placed in the bill.

Mr. MAYBANK. Mr. President, as chairman of the committee I will say I am opposed to any amendment striking out title V of the bill. Everyone will recognize that it is imperative that we do everything necessary to prevent any interruption of national defense production by labor disputes. This title can have tremendous value as an expression of the intent of Congress that price and wage stabilization and maintenance of uninterrupted production may depend in large measure upon adequate provision for settlement of labor disputes affecting the national defense.

Under title V a board or commission similar to the National War Labor Board, which did much in promoting peaceful settlement of labor disputes during World War II, could be established by the President. This board could consult with labor and management, call a national labor management conference, and endeavor to obtain a voluntary no-strike-no-lockout pledge from labor and management, under which labor and management would voluntarily agree to submit their problems to a board or commission established by the President after consultation with labor and management.

It will be observed that the title requests the President to consult with labor and management in establishing principles and procedures under these provisions and requires that any action taken will be consistent with the Fair Labor Standards Act of 1938, the Labor Management Relations Act, 1947, and other applicable laws.

There has been some question raised respecting the Taft-Hartley law. The subject was raised in the committee, of which the Senator from Ohio is not a member. I want it to be clearly understood that the committee had in mind that the title requests the President to consult with labor and management in establishing principles and procedures under these provisions and requires that any action taken must be consistent with the Fair Labor Standards Act of 1938, the Labor-Management Relations Act, 1947, and other applicable laws. It will also be observed that this title gives the President no legal or compulsory authority over labor or management.

I make reference further along in the statement to the fact that the members of the committee heard Mr. Cyrus S. Ching in executive session on August 14, 1950. I have a letter from Mr. Ching, Director, Federal Mediation and Conciliation Service, from which I wish to read as follows:

DEAR SENATOR MAYBANK: Previously, I submitted a memorandum on title IV of Senate bill S. 8936 which expresses my ideas on the necessity of voluntary action on the part of labor and industry in the setting up of a board for the settlement of labor disputes in a wartime emergency. Title V of the same

bill declares the intent of Congress to provide effective procedures for the settlement of labor disputes affecting national defense.

I appreciate that my time is short. How much time have I left, Mr. President?

The VICE PRESIDENT. Two minutes.

Mr. MAYBANK. I have not read all of Mr. Ching's letter. I yield now 1 minute to the Senator from New York [Mr. Ives], who attended the executive session when Mr. Ching appeared, and then I will yield 1 minute to the Senator from Alabama [Mr. SPARKMAN].

Mr. IVES. Mr. President, I think it would have been very well if the Senator from South Carolina had placed the entire letter from Mr. Ching in the RECORD. I will read the remainder of the letter which the Senator did not read, as follows:

The same title authorizes the President, after consultation with labor and management, to establish such principles and procedures and to take such action as he deems appropriate for the settlement of labor disputes affecting national defense, including the designation of such persons, boards, or commissions as he may deem appropriate to carry out the provisions of this title. In my opinion, this language provides a sufficient degree of flexibility to enable the President to establish such machinery as the representatives of labor and management may agree upon for the settlement of their mutual problems during a period of national defense.

In order to insure the full support of both labor and management in the defense effort, it is essential that they participate in the formulation of the policy and procedures and agree upon the type of organization to be established to carry out that policy. Any attempt to impose any rigid requirements by law as to the type of machinery so set up would defeat the purpose. Again I emphasize the importance of having the highest degree of flexibility possible in this legislation until the time comes when it is deemed necessary to proceed in setting up an emergency board.

Sincerely yours,

CYRUS S. CHING,
Director, Federal Mediation and
Conciliation Service.

Mr. Ching stands highest in this country in this particular field, and in this matter I take his word above that of all others. If he feels that this part of the bill is necessary—and I know he does—certainly I feel that title V should be preserved in the bill.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. ROBERTSON. We discussed this question fully in the committee. The arrangement proposed is a voluntary one, on the order of the arrangement used in the case of the War Labor Board. Under this proposal, management and labor can get together, agree to a machinery, boards, and so forth, as a means of settling disputes and strikes.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. TAFT. What would be voluntary about the President's right to establish principles and procedures and to take such action as he might deem to be appropriate?

Mr. ROBERTSON. The whole concept under title V is that there is not to be compulsion. It has been said that this provision of the bill might be used to repeal the Taft-Hartley Act, but such a belief is very erroneous.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Ohio.

Mr. TAFT and other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

The Senator from Idaho [Mr. TAYLOR] and the Senator from Oklahoma [Mr. THOMAS] are necessarily absent.

I announce further that if present and voting, the Senator from California [Mr. DOWNEY], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Vermont [Mr. FLANDERS] and the Senator from South Dakota [Mr. GURNEY] are detained on official business.

The result was announced—yeas 29, nays 57, as follows:

YEAS—29

Brewster	Eaton	Saltonstall
Bricker	Ferguson	Schoeppel
Bridges	Hickenlooper	Smith, N. J.
Butler	Jenner	Taft
Byrd	Kenn	Thye
Capehart	McCarthy	Watkins
Cordon	Malone	Wherry
Darby	Martin	Wiley
Donnell	Millikin	Williams
Dworshak	Mundt	

NAYS—57

Alken	Hunt	McMahon
Anderson	Ives	Magnuson
Benton	Johnson, Colo.	Maybank
Chapman	Johnson, Tex.	Morse
Chavez	Johnston, S. C.	Murray
Connally	Kefauver	Myers
Douglas	Kerr	O'Connor
Ellender	Kilgore	O'Mahoney
Frear	Knowland	Pepper
Fulbright	Langer	Robertson
George	Leahy	Russell
Gillette	Lehman	Smith, Maine
Graham	Lodge	Sparkman
Green	Long	Stennis
Hendrickson	Lucas	Thomas, Utah
Hill	McCarran	Tobey
Hoey	McClellan	Tydings
Holland	McFarland	Withers
Humphrey	McKellar	Young

NOT VOTING—10

Cain	Gurney	Thomas, Okla.
Downey	Hayden	Vandenberg
Eastland	Neely	
Flanders	Taylor	

So Mr. TAFT's amendment was rejected.

The VICE PRESIDENT. The question is on the committee amendment, as amended.

The amendment was agreed to.

The VICE PRESIDENT. The bill is open to further amendment. If there be

no further amendment to be offered, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading.

Mr. TOBEY. Mr. President, I wish to offer an amendment.

The VICE PRESIDENT. The Chair advises the Senator from New Hampshire that it is now too late to offer an amendment.

MOTION TO RECOMMEND THE BILL

Mr. MALONE. Mr. President, I move that the bill be recommitted.

The VICE PRESIDENT. The Senator from Nevada moves that the bill be recommitted.

Mr. MALONE. Mr. President, do I have the floor?

The VICE PRESIDENT. The Senator from Nevada is recognized for 5 minutes.

Mr. MALONE. That will be ample time.

Mr. TOBEY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from New Hampshire?

Mr. MALONE. For what purpose?

Mr. TOBEY. I merely wish to offer a very brief amendment.

Mr. MALONE. I do not yield for that purpose, since I am moving to recommit the bill itself.

The VICE PRESIDENT. The Senator declines to yield.

PUBLIC DISTURBED

Mr. MALONE. Mr. President, many of us are disturbed about this situation of rushing into controls, a public strait-jacket before any international policy has been announced or adopted by the President of the United States, and especially we are disturbed about the type of administration to which we are giving full control of a bewildered and confused public. Many of us voted for economy in government, but we have never had any success with the administration in paring down the taxes during a peacetime economy.

There is little integrity in government—under the present administration—and public confidence is severely shaken.

Congress is within 24 hours of the Capitol at all times, therefore should retain its last vestige of control over the economy of this Nation.

In the opinion of the junior Senator from Nevada, in order to show good faith, the first thing to be done would be for the President to remove the security risks from the Government—at least to remove the ones responsible for our present position in world affairs.

SENATOR BYRD AND KOREA

If a genuine cooperative effort is desired, it would be very helpful for the administration to show themselves cooperative and open to debate on the Senate floor. This they have never done—it must conform to the State Department program.

I wish to call attention to the fact that the distinguished senior Senator from Virginia has said that if Russia declares war, we shall abandon Korea. We are

fighting a battle to regain an area once relinquished, and which would be abandoned at the first sign of opposition from Russia—that is what the American boys are dying for in Korea according to that authentic information, without taking the time of the Senate to read the dispatch, I ask unanimous consent to have it inserted at this point in the RECORD.

Mr. LUCAS. Mr. President, reserving the right to object—

Mr. MALONE. I trust the Senator is speaking on his own time.

Mr. LUCAS. Reserving the right to object, I do not know how much material the Senator proposes to place in the RECORD, but it looks quite formidable.

Mr. MALONE. I expect that some of it is going to be very illuminating, considering the lack of any coherent foreign policy by the administration.

Mr. LUCAS. Whatever the Senator puts in the RECORD is illuminating.

Mr. MALONE. I shall read it, if the Senator desires me to do so. But the time is limited.

Mr. LUCAS. I am not going to object, but we have a habit here of putting everything in the RECORD, it does not make much difference what it is.

Mr. MALONE. The senior Senator from Virginia is the father of most of this dispatch, and to me, has stature in the Senate which is very gratifying to the junior Senator from Nevada.

Mr. President, may I have an extra moment on account of the interruption?

The VICE PRESIDENT. The Senator cannot have an extra moment, except by unanimous consent.

Mr. WHERRY. I ask unanimous consent that the Senator from Nevada be given another minute.

The VICE PRESIDENT. The Senator from Nevada still has some time left.

Mr. LUCAS. I ask unanimous consent that the Senator from Nevada may have 2 minutes more.

Mr. MALONE. Mr. President, do I have permission to submit this material and place it in the RECORD?

The VICE PRESIDENT. So far as the Chair is concerned, the Senator has permission. Without objection, he may proceed.

Mr. MALONE. I ask unanimous consent to have inserted in the RECORD at this point an editorial entitled "The Goal in Korea" from the Times-Herald of August 21, which states, in part:

In stating before the United Nations Security Council that any settlement in the war must envision a free and united Korea, Warren R. Austin, the American delegate, made it plain that the goal of American forces is to drive to Korea's northern border, behind which stand Red China and Russia.

Mr. President, I ask unanimous consent to have the editorial appear in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE GOAL IN KOREA

In stating before the United Nations Security Council that any settlement in the war must envision a free and united Korea, War-

ren R. Austin, the American delegate, made it plain that the goal of American forces is to drive to Korea's northern border, behind which stand Red China and Russia. Mr. Austin didn't say that in so many words, but the implication was clear.

Before the invasion of the Republic of South Korea by the Communist north, the country had been split at the thirty-eighth parallel, and it hitherto had been the understanding, given out by both Mr. Truman and UN, that American military action would be confined to driving the Reds back over that line. In fact, the UN resolutions on the subject convey the impression that if pursuit extended beyond the thirty-eighth parallel that would be no less an act of aggression than the original invasion.

Mr. Austin, instead of making a positive declaration of intention, cast his statement in speculative and tentative form by suggesting certain questions to which UN must find answers. But he went on to say that Korea could not exist half slave and half free, or even one-third slave and two-thirds free. The only way to eradicate the slavery is, of course, by the military eradication of the North Korea Communist regime.

The effects of this policy are:

1. The United States has laid out a course of action which exceeds, and to that degree is in conflict with, the declared policy of UN to that extent, the United States has reduced to a farce the fiction of action by international agreement, as well as the whole concept of "collective security."

2. The military task confronting the United States (nominally UN, for American forces are supposed to be acting for UN) has been greatly enlarged. A limited assignment has been transformed into an all-out job of clearing the whole country. The cost in lives and dollars will rise.

3. But, even if this task is accomplished, the hazards confronting the United States will hardly be diminished. Rather, it is highly likely that they will be enlarged. On the northern border of Korea—if our forces get there—we shall be face to face with the hordes of Russia and Red China. This new line will be more explosively dangerous than the thirty-eighth parallel ever was. Will Russia tolerate American forces only 50 miles from its naval base at Vladivostok? Will Russia and Chinese Communists accept with equanimity the presence of American forces on their frontier?

Korea, like the Chinese box, which, when opened, presents still another box, and another, and another, confronts the United States with an endless series of problems and of risks. Mr. Austin's declaration opens up a prospect the end of which cannot be foreseen. Mr. Truman's original decision committing American forces to the war in Korea was a snap decision, hastily improvised. The Administration continues to improvise.

Let us all hope that, in feeling their way from one unknown to another, the improvisors do not cause the Nation to fall into another great war.

Mr. MALONE. Mr. President, I ask unanimous consent to insert in the RECORD at this point the statement by Senator BYRD, of Virginia, on the Korea situation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

BYRD SAYS UNITED STATES WOULD PULL OUT OF KOREA IF RUSSIA DECLARES WAR—SENATOR ASSERTS HE HAS SEEN PLANS FOR MOVE; AVERS PENINSULA HAS NO MILITARY VALUE

(By Robert C. Rollings)

If Russia declares war on the United States our troops will evacuate Korea because it has no military value, Senator BYRD, Democrat, of

Virginia, told the Virginia American Legion convention in Alexandria today.

Senator BYRD said he has seen plans prepared for this eventuality and did not think he was revealing any secrets in making his statement.

Senator BYRD said the Korean fighting has done nothing to settle the situation that confronts us.

He said the war may develop into side-line wars and that the country is faced with dangerous inflation at home. He charged that Congress is mystified by the complete breakdown of the United States intelligence.

"I say to you the intelligence service of our Government should be completely reorganized," Senator BYRD asserted.

His remark brought loud applause from the several hundred Legionnaires assembled in the Virginia Theater.

Senator BYRD termed the intelligence service the "first basis of our defense."

He said the war Russia is conducting against America is a war of economic attrition. He said a dozen side-line wars may occur without Russia showing her hand.

"She need not fire a Russian gun or lose a Russian soldier," he asserted.

"We have committed ourselves to these side-line wars."

SHOULD CONSERVE STRENGTH

Declaring the time is coming when the democratic people of the world must fight those who believe in totalitarian government, he said that when that time arrives we must be strong. We must not let our resources be depleted in preliminary skirmishes, he said.

"The Korean situation has opened up the whole question of attempting to arm small nations all over the world, when we have no knowledge, no confidence that they will fight when the time comes."

Senator BYRD declared he does not believe the European nations can withstand a Russian invasion.

"To my way of thinking, the only way to stop Russia's march over Europe, when it starts, is to keep in Europe from 3,000,000 to 5,000,000 American soldiers."

ASKS IF UNITED STATES IS WILLING

A round of applause followed this statement, and then Senator BYRD asked:

"Are the American people willing for an indefinite period to keep that large a standing army outside our continent?"

He termed the situation in Formosa critical and said six weeks ago the United States decided it would stay out but now it has changed its stand and has said it will fight the Chinese Communists if they attack Formosa.

He said in this event the United States might find itself in the position of having as an enemy a nation which had been recognized by the United Nations. He pointed out that the UN is divided on recognizing Communist China.

Senator BYRD's statement that fiscal solvency is the very foundation of national security drew applause. He said he had never advocated economy, however, at the expense of defense.

Senator BYRD charged that 60 percent of the draftees are rejected, about half of them for physical reasons.

He said "many of our boys are going to the Korean fighting without any training."

WOULD CURB REDS AT HOME

"If we are going to fight communism abroad, why don't we fight it at home?" Senator BYRD asked.

He declared 375 employees have been dismissed from the armed services for security reasons, and that 106 have been permitted to resign.

At this point a member of the audience shouted, "Lock 'em up, Mr. Senator, lock 'em up."

"I would do it if I could," the Senator replied.

"The Korean war will be a long-drawn-out affair," Assistant Defense Secretary Paul Griffith warned today.

Mr. Griffith said "the United States has sufficient men and equipment on the way to Korea to do the job, but this accomplishment will not come today, tomorrow, or next week."

Declaring the United States can expect a similar incident anywhere else in the world, Mr. Griffith said the Korean fighting "may be just the beginning of a series."

He defended Secretary Johnson's conduct of the Department and assured the Legionnaires "our defenses are in good hands."

"Nothing has happened in the Korean affair to indicate we would not be able to ward off an attack by any enemy," Mr. Griffith asserted.

AMERICAN LEGION SAYS IMPEACH ACHESON

Mr. MALONE. I also ask unanimous consent to insert in the RECORD at this point in my remarks a dispatch from Kingman, Ariz., by Associated Press, dated August 12, under the headline "Arizona Legion meet demands ouster of Secretary of State Acheson," to show the public opinion of the administration to which we are giving absolute power over the American public. This demand was made through an official resolution adopted in their department's convention, that the congressional delegation work on the immediate dismissal of Secretary of State Dean Acheson, and, if necessary, his impeachment.

I ask unanimous consent to have that dispatch printed in the RECORD at this point as part of my remarks.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

ARIZONA LEGION MEET DEMANDS OUSTER OF SECRETARY OF STATE ACHESON

KINGMAN, ARIZ., August 12.—Arizona's Legionnaires demanded today the Arizona congressional delegation work for the immediate dismissal of Secretary of State Dean Acheson or if necessary his impeachment.

Delegates to Arizona's thirty-second annual Legion convention told United States Senator ERNEST W. McFARLAND, Democrat of Arizona, and Representative HAROLD PATTEN, Democrat, of Arizona, to go back to Washington and press for impeachment if Acheson is not dismissed.

The action, unparalleled in Arizona Legion history, came late last night after McFARLAND in a speech to more than 500 delegates stressed the need for forgetting our past mistakes in international diplomatic relations with Russia and other countries and concentrating on the immediate future.

At the conclusion of McFARLAND's talk, Ed Gibbons, Los Angeles, editor of the anti-Communist publication Alert, and California State Senator Jack Tenney, who formally headed that State's un-American activities committee, called for the immediate dismissal of Acheson.

At this point the delegates jumped to their feet and shouted their approval of Gibbons' and Tenney's remarks.

Mr. MALONE. Mr. President, the California Department of the American Legion has adopted a resolution, which amounts to practically the same as what I have just said with reference to the Arizona Legion.

This resolution by the California department also demands the removal of Mr. Acheson even if it is necessary to impeach him.

I ask unanimous consent to have this dispatch printed in the RECORD, at this point in my remarks.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

CALIFORNIA LEGION DEMANDS ACHESON OUSTER, BY IMPEACHMENT IF NECESSARY

SACRAMENTO, August 15.—The California Department of the American Legion called today for the ouster of Secretary of State Dean Acheson—by impeachment, if necessary—and also:

1. Outlawing the Communist Party in the United States.
2. Withdrawal of United States recognition of Soviet Russia.
3. Expulsion of Russia and her satellites from the United Nations.

The actions came in a series of resolutions adopted by the Legion's State convention.

The delegates yesterday heard two well-known retired military figures warn that the Nation faces grave peril from within and without.

Retired Admiral William H. Standley, wartime Ambassador to Russia, compared Korea to Pearl Harbor which he said was the result of our failure to keep our military readiness in step with our foreign policy.

POWERFUL ENEMY

Lt. Gen. Ira C. Eaker, retired commander of the Eighth Air Force, said we have the most powerful enemy that we have ever had. He warned against a fifth column more powerful than that which existed in Czechoslovakia before that nation turned Communist.

"It's time to call a spade a spade, a Communist a Communist, and a traitor a traitor," Eaker said.

Admiral Standley again expressed his belief that we will not have a shooting war with Russia unless we initiate it. He said he believes Russia feels she is accomplishing her ends without engaging in a shooting war.

FEARS INFLATION

He criticized deficit financing which he said is leading to inflation and depression just as the Russians wish.

"As I view our administration," he declared, "the party in power is no different, as to purpose, than the communistic party in Moscow. They are both making every effort to perpetuate control of the Government by their party. The difference is in method only."

Standley said the practice of appointing special ambassadors and representatives responsible to the President is undermining the regular Foreign Service of the United States.

"It is no wonder," he said, "that the President vacillates and frequently reverses himself on foreign policy and it is a wonder that any Secretary of State will continue to serve under those conditions."

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. Is this going into the body of the RECORD, or into the Appendix?

Mr. MALONE. In the body of the RECORD.

The VICE PRESIDENT. The Senator asked unanimous consent that it be placed in the body of the RECORD, and, without objection, it has been ordered to be printed in the body of the RECORD.

Mr. LUCAS. I am going to object to all these things going into the body of the RECORD.

Mr. MALONE. It has already been ordered printed in the body of the RECORD; does the Senator desire to bring it up on a motion, to remove it from the RECORD?

Mr. LUCAS. Go right ahead.

Mr. MALONE. Now, Mr. President, I wish to say also that for 25 years the American Legion has been trying to secure universal military training. I joined with the distinguished Senator on the opposite side of the aisle in introducing a universal military-training bill in February 1948.

The VICE PRESIDENT. The Senator's time has expired.

UNIVERSAL MILITARY TRAINING

Mr. MALONE. I ask to have these two dispatches appear as part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The two dispatches which were ordered to be printed in the RECORD, are as follows:

VETS BACK UMT PLEA

Veterans' organizations here were quick to give their support today to the Truman administration's demand for universal military training.

Maurice Stember, State adjutant of the American Legion, declared:

"The matter should be given top priority on the legislative program of Congress. It is vitally necessary.

"The American Legion feels that universal military training is particularly needed now.

"We sent raw, untrained men into war. Had UMT been enacted years ago when we recommended it, those men would have been trained."

Stember pointed out that the Legion advocated UMT "practically since we were organized."

A spokesman for the Catholic War Veterans called attention to the testimony in favor of universal military training given by CWV members at congressional hearings.

It was understood that policy statements on UMT were in preparation by other organizations of veterans.

HARRY PUTS DAMPER ON UMT DRIVE

WASHINGTON, D. C., August 17.—President Truman today told a press conference he is fully back of a universal military training law but he won't press this controversial issue personally at this session of Congress. He indicated he is far more interested in other parts of his emergency program to meet the Korean emergency.

The President thus backed away from the UMT drive some 2 hours after Chairman MILLARD TYDINGS, Democrat, of Maryland, of the Senate Armed Services Committee introduced the administration bill requiring a year's service for 17-year-olds. TYDINGS made the pitch for immediate passage of the UMT law on a stand-by basis in an impassioned 2-hour speech.

VERY CONTROVERSIAL

The Senator warned his colleagues: "It is my candid belief that the countries of western Europe are far from the military efficiency required for them to discharge their job in our dual undertaking. In my judgment we may have to consider strengthening the ground forces in western Europe."

The bill proposed by TYDINGS was sent to him yesterday by Defense Secretary Louis Johnson, who said he was acting with full approval of the White House.

Truman told the press conference that while he has consistently advocated UMT since 1945, he had not requested enactment

of the bill at the current session of Congress because he did not want to project himself into what he considered a very controversial issue. He wants other emergency legislation passed quickly, Truman said, and he saw no reason to clutter up Congress with the UMT deal.

MATTER OF SURVIVAL

There was no explanation for his okay to Johnson to ask for immediate enactment of the law.

Mr. MALONE. Mr. President, if the administration had not stopped the enactment of the universal training bill early in 1949, then we might not be murdering green American troops in Korea now.

I thank the Chair for his consideration. I assume that the motion to recommit is before the Senate.

The VICE PRESIDENT. It is. The Senator from South Carolina has 5 minutes.

Mr. LUCAS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Illinois?

Mr. MAYBANK. I yield.

Mr. LUCAS. I ask unanimous consent that, following the remarks made by the Senator from Nevada, there be incorporated in the body of the RECORD an editorial from the Wall Street Journal, as of this date, under the title, "A Party Bankrupt."

Mr. MALONE. Reserving the right to object, is this a request to place the editorial in the body of the RECORD or in the Appendix?

The VICE PRESIDENT. The Senator from South Carolina yielded to the Senator from Illinois to make a unanimous-consent request.

Mr. MALONE. Reserving the right to object, is this a request to place an article in the body of the RECORD?

The VICE PRESIDENT. It is a request that it go in the body of the RECORD.

Mr. MALONE. I object.

Mr. LUCAS. Mr. President, I can read it within the 5 minutes, if the Senator will yield.

Mr. MAYBANK. I yield.

Mr. LUCAS. The editorial reads as follows:

A PARTY BANKRUPT

Within a short time there will be passed by Congress a bill to give President Truman wide powers over production and trade; powers as great as those which Washington attempted to exercise in World War II.

There is hope and some possibility that President Truman will not have to exercise those powers and that he will be wise enough to refrain from doing so.

But the prospects are that the mere existence of the powers will result in their use, that the anticipation of their use will create the dislocations that the controls are supposed to remedy. Probably few will be used at first, but the first use will lead to others, and there will be repeated the very thing against which the American people finally rebelled in 1946.

When that happens we will no doubt have a group of Republicans smugly pointing a finger at the Democratic administration and saying that it was all the administration's fault; we had such a spectacle the other day when Republicans condemned foreign policy for which they were partly responsible.

At such time it will be our pleasure to point out where lies the responsibility for the chaos. Without Republican support and inspiration controls could not be enacted. Partly because they sought to use a war situation to gain a political advantage, partly because they were in panic, the Republicans plumped for this business before any need was apparent, and as the need grows more remote the Republicans can find no way to retreat.

On the other hand, it may be merely academic to put the blame where it belongs. By the time the situation which we foresee develops, it is not improbable that the Republican Party will be speeding toward oblivion so fast that it will be charitable to withhold another kick.

The Republican Party has no program; despite the valiant efforts of a few men, among whom Senator TAFT is outstanding; it can do nothing but improvise from day to day. That is bad enough. What is worse is that its representation in Congress lacks the intelligence and character to distinguish between expediency and principle.

It can do nothing but dig holes from which it cannot extricate itself.

Mr. BRICKER. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. The Senator from South Carolina has the floor.

Mr. MAYBANK. Mr. President, how much time have I remaining?

The VICE PRESIDENT. Two minutes.

Mr. BRICKER. Mr. President, will the Senator from Illinois yield?

The VICE PRESIDENT. The Senator from Illinois does not have the floor. The Senator from South Carolina has the floor.

Mr. MALONE. Mr. President, a point of order. Mr. President, to keep the record straight—I so thoroughly disagree with the entire philosophy of the senior Senator from Illinois that there is no room for compromise or agreement. There is little integrity left in our Government—the public must be the judge.

The VICE PRESIDENT. The Senator from South Carolina has the floor, unless he yields.

Mr. MAYBANK. I do not intend to yield, Mr. President.

Mr. MALONE. Mr. President, how long do 5 minutes last?

The VICE PRESIDENT. Five minutes.

Mr. MAYBANK. Mr. President, I shall not ask to have two more minutes. That much time was granted by unanimous consent to my good friend from Nevada. I hope this bill will not be recommended. We have labored long and have done the best we could. Some persons think we have done a poor job in not having granted more powers, and some other persons seem to think that we have done a bad job by providing too big a bill for the President. I have faith in the President of the United States and the Commander in Chief of our Armed Forces—

Mr. MALONE. Mr. President, will the Senator yield?

Mr. MAYBANK. I refuse to yield. I have only one and a half minutes' time remaining.

The VICE PRESIDENT. The Senator does not have that much time now.

Mr. MAYBANK. How much time do I have, Mr. President?

The VICE PRESIDENT. Half a minute.

Mr. MAYBANK. I hope we can have a final vote on the bill so that we may take a recess and be prepared tomorrow to consider the public-roads bill.

The VICE PRESIDENT. The Senator's time has expired. All time has expired on the motion.

Mr. TOBEY. Mr. President—

The VICE PRESIDENT. For what purpose does the Senator rise?

Mr. MALONE. Mr. President—

The VICE PRESIDENT. The Chair is addressing the Senator from New Hampshire.

Mr. TOBEY. Mr. President, I do not ask the indulgence and kindness of the Senate, because I think that what I shall have to say will find a responsive chord.

The VICE PRESIDENT. The committee amendment has already been agreed to and no other amendment is in order. The motion before the Senate is that the vote by which the amendment was agreed to be reconsidered.

Mr. TOBEY. Mr. President, I ask unanimous consent to be given 2 minutes' time.

Mr. LUCAS. Mr. President, I hope that time will be granted the Senator.

Mr. MAYBANK. Mr. President, so far as I am concerned, I trust the Senator from New Hampshire, the ranking Republican member of the Banking and Currency Committee, may have 2 minutes.

The VICE PRESIDENT. Regardless of the fact that the Senate has agreed to the Senate committee amendment, the Senator from New Hampshire asks unanimous consent to offer an amendment and that he be granted 2 minutes' time to speak upon it. Is there objection? The Chair hears none.

Mr. TOBEY. Mr. President, I offer the following amendment:

Beginning on page 64 with line 3, strike out through page 65, line 2, and insert the following:

"Sec. 605. To assist in carrying out the objectives of this act, the President may, at any time or times, notwithstanding any other provision of law, reduce, for such period as he shall specify, the maximum authorized principal amounts, ratios of loan to value or cost, or maximum maturities of any type or types of loans on real estate which thereafter may be made, insured, or guaranteed by any department, independent establishment, or agency in the executive branch of the United States, or by any wholly owned Government corporation or by any mixed-ownership Government corporation as defined in the Government Corporation Control Act, as amended, or reduce or suspend any such authorized loan program, upon a determination, after taking into consideration the effect thereof upon conditions in the building industry and upon the national economy and the needs for increased defense production, that such action is necessary in the public interest: *Provided*, That in the exercise of these powers the President shall preserve the relative credit preferences accorded veterans under existing law."

I am referring to the specific directive to the President in the proviso at the end of section 502 of the Defense Production Act of 1950 as passed by the House on August 10. This proviso directs the President to preserve the rela-

tive credit preferences accorded to veterans under existing law.

In Senate bill 3936, at the bottom of page 64, we find at the end of section 605 a proviso which is permissive instead of mandatory.

Also of value in considering a mandatory directive to the President is a survey of the relationship of the GI loan program to the total residential-construction program as made by the Veterans' Administration. The figures in this survey are provided in the CONGRESSIONAL RECORD, August 10, page 12216. The table appearing at the bottom of the first column of that page shows that the percent of private residential building financed with GI loans amounted to only 19.1 percent of the total private residential construction in the United States for the 6 months ending May 1950. The table also shows that the GI home-financing program was only 8.3 percent of the total new construction of the country during those 6 months.

These figures should be ample evidence that the preservation of the credit preferences of veterans would not be any undue burden at this time because the GI loan program is such a relatively small part of the whole. The credit controls contemplated in both the Senate and House bills could be imposed in an adequate and practical fashion regardless of the preservation of the relative credit preferences accorded to veterans under existing law.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. TOBEY. I yield.

Mr. MAYBANK. Mr. President, at this late hour, bringing up an amendment of that kind might precipitate some debate. The bill will be in conference, and of course the senior Senator from New Hampshire will be one of the conferees. As chairman of the committee I want to say that I shall join him in trying to bring out the House version, but I hope the Senator does not press his amendment at this late hour.

Mr. TOBEY. I thank the Senator for his indulgence, and we shall join, hand in hand, and put this thing through.

Mr. MAYBANK. The Senator is correct.

Mr. TOBEY. It is a trade.

Mr. MAYBANK. It is always a pleasure to trade with the Senator from New Hampshire.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Nevada to recommit the bill to the Committee on Banking and Currency.

The motion was rejected.

The VICE PRESIDENT. The question is now on the third reading of the bill.

Mr. MAYBANK. Mr. President, I move that the Senate proceed to the consideration of House bill 9176.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 9176) to establish a system of priorities and allocations for materials and facilities, authorize the requisitioning thereof, provide financial assistance for expansion of productive capacity and supply, strengthen controls over credit, regulate speculation on commodity ex-

changes, and by these measures facilitate the production of goods and services necessary for the national security, and for other purposes.

Mr. MAYBANK. Mr. President, I move that the House bill be amended by striking out all after the enacting clause and inserting the Senate bill, as amended.

The motion was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The question is on the final passage of the bill.

Mr. MAYBANK and other Senators requested the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], and the Senator from West Virginia [Mr. NEELY] are absent on public business.

The Senator from Oklahoma [Mr. THOMAS] is necessarily absent.

I announce further that if present and voting the Senator from California [Mr. DOWNEY], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], the Senator from West Virginia [Mr. NEELY], and the Senator from Oklahoma [Mr. THOMAS] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Vermont [Mr. FLANDERS] is detained on official business and if he were present he would vote "yea."

The result was announced—yeas 85, nays 3, as follows:

YEAS—85

Alken	Hoey	Millikin
Anderson	Holland	Morse
Benton	Humphrey	Mundt
Brewster	Hunt	Murray
Bricker	Ives	Myers
Bridges	Jenner	O'Connor
Butler	Johnson, Colo.	O'Mahoney
Byrd	Johnson, Tex.	Pepper
Capehart	Johnston, S. C.	Robertson
Chapman	Kefauver	Russell
Chavez	Kem	Saltontall
Connally	Kerr	Schoeppel
Cordon	Kilgore	Smith, Maine
Darby	Knowland	Smith, N. J.
Donnell	Langer	Sparkman
Douglas	Leahy	Stennis
Dworshak	Lehman	Taft
Ellender	Lodge	Taylor
Ferguson	Long	Thomas, Utah
Frear	Lucas	Thye
Fulbright	McCarran	Tobey
George	McCarthy	Tydings
Gillette	McClellan	Watkins
Graham	McFarland	Wherry
Green	McKellar	Wiley
Gurney	McMahon	Withers
Hendrickson	Magnuson	Young
Hickenlooper	Martin	
Hill	Maybank	

NAYS—3

Eaton	Malone	Williams
-------	--------	----------

NOT VOTING—8

Cain	Flanders	Thomas, Okla.
Downey	Hayden	Vandenberg
Eastland	Neely	

So the bill (H. R. 9176) was passed.

The VICE PRESIDENT. Without objection, Senate bill 3936 is indefinitely postponed.

Mr. MAYBANK. I move that the Senate insist upon its amendments, ask for a conference with the House thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. MAYBANK, Mr. TAYLOR, Mr. FULBRIGHT, Mr. ROBERTSON, Mr. SPARKMAN, Mr. TOBEY, Mr. CAPEHART, Mr. FLANDERS, and Mr. BRICKER conferees on the part of the Senate.

Mr. MAYBANK. I ask that the bill be printed with the amendments of the Senate numbered.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MAYBANK. I ask that the clerk be permitted to make the necessary changes of a technical and clerical character.

The VICE PRESIDENT. Without objection, it is so ordered.

BUDGET AND ACCOUNTING PROCEDURES ACT OF 1950—CHANGE IN CONFEREES

The VICE PRESIDENT. At the request and suggestion of the Senator from Arkansas [Mr. McCLELLAN], the chairman of the Committee on Expenditures in the Executive Departments, the Chair appoints as a conferee on the part of the Senate the Senator from Kansas [Mr. SCHOEPP] in place of the Senator from Wisconsin [Mr. MCCARTHY] on the bill (H. R. 9038) to authorize the President to determine the form of the national budget and of departmental estimates, to modernize and simplify governmental accounting and auditing methods and procedures, and for other purposes.

AMENDMENT OF WAR CONTRACTORS RELIEF ACT RELATING TO CERTAIN HARD-SHIP CLAIMS—VETO MESSAGE (S. DOC. NO. 203)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and with the accompanying bill, referred to the Committee on the Judiciary, and ordered to be printed:

To the United States Senate:

I return herewith, without my approval, S. 3906, to amend the War Contractors Relief Act with respect to the definition of a request for relief, to authorize consideration and settlement of certain claims of subcontractors, to provide reasonable compensation for the services of partners and proprietors, and for other purposes.

S. 3906 was passed as a substitute for H. R. 3436, Eighty-first Congress, which I was compelled to disapprove on June 30, 1950. It is said that the bill meets the objections I interposed to H. R. 3436. I regret to inform the Congress that it does not.

When the provisions of this bill are read in the light of the statements respecting their purpose which appear in the committee reports (S. Rept. No. 2052, H. Rept. No. 2782) and also in the RECORD (96 CONGRESSIONAL RECORD 9972, 11066), I think it clear that they serve

to transform the War Contractors Relief Act into a general statute of indemnification against loss on Government contracts held during the war years, and do not merely obviate what the Congress regards as "technicalities" that have arisen in the course of administering the act. It was this same undesirable purpose that mainly prompted my disapproval of H. R. 3436.

While it is evident that an attempt has been made to adopt certain of the clarifying amendments to the War Contractors Relief Act which I suggested, it is likewise evident that no attempt has been made to limit their scope to claims or requests for relief that would have been granted under the First War Powers Act of 1941 but for the termination of hostilities with Japan on August 14, 1945. Indeed, the committee reports negative the possibility of any such restricted interpretation of the amendments. The bill, moreover, would not preclude the reopening of an indeterminate number of cases that have been settled under the First War Powers Act or the Contract Settlement Act of 1944.

In the absence of these limitations, the provisions of the present measure and their legislative background are quite sufficient to accomplish what I consider to be a total departure from the intent and scope of the War Contractors Relief Act. I refer particularly to the proposed "definition of a request for relief" in paragraph (2), which greatly relaxes the existing requirement that claims be founded upon a specific application for the extraordinary relief which was allowable under the First War Powers Act, and to the similar language in paragraph (3) relating to the claims of subcontractors.

It was not the purpose of the First War Powers Act to relieve contractors because of loss, or to indemnify them against loss. On the contrary, that act authorized the granting of relief because it would assist in obtaining needed war production and thereby "would facilitate the prosecution of the war." In my opinion, the sole objective of the War Contractors Relief Act was to afford a basis for the continued processing of those relatively few requests for First War Powers Act relief which were still pending on August 14, 1945, and could not be handled by the war agencies after that date without additional statutory authority. I am plainly supported in this opinion by the legislative history of the War Contractors Relief Act, to which I expressly invite the attention of the Congress (S. Rept. No. 1669, H. Rept. No. 2576, 79th Cong.; 92 CONGRESSIONAL RECORD 9092).

In the veto message on H. R. 3436 (H. Doc. No. 629, 81st Cong.) my position in this matter was clearly stated, as follows:

I cannot accept the contention that the purpose of the War Contractors Relief Act was other than to provide a basis for relief to those contractors whose cases would have been handled under the First War Powers Act if war had not ended. Had I believed there was a broader purpose, I would not have issued the kind of regulations which were promulgated in Executive Order 9786. These regulations were a faithful attempt to interpret the language of the

act as affording nothing more than a statutory basis for the continued processing of written applications for relief under the First War Powers Act which were pending and undisposed of on August 14, 1945. * * *

H. R. 3436, and the reports recommending its enactment, would radically change the basic purpose of the original War Contractors Relief Act. I believe that in spite of any administrative interpretation which might be made to limit the effects of the bill, its provisions not only require reconsideration of all claims originally filed, but might also be construed to permit reopening of an unknown number of cases settled under the First War Powers Act and the Contract Settlement Act.

I further stated that the net effect of a bill which would relax the requirements for filing notice contained in the War Contractors Relief Act and the regulations thereunder, permit the granting of relief beyond that afforded by the First War Powers Act, and exclude the finality of settlement made under the First War Powers Act and the Contract Settlement Act of 1944 "would be to write into law the principle of Government insurance against all wartime net losses incurred by contractors providing goods and services to the Government."

Endowed as it is with a legislative history that makes the fact obvious, it is beyond question that these comments are equally pertinent to S. 3906.

Some time ago I informed the Congress of my belief that it would be a grave error to introduce this principle of insurance against loss on Government contracts; its implications "are profound, both with respect to our finances and with respect to our free-enterprise system"; and it would involve "reopening the entire program of financing the war, with incalculable effects upon our finances." I reiterated these views in the veto message on H. R. 3436. Considering the even greater demands upon our finances necessitated by the international developments that have occurred since then, it seems to me that their rightness is not even debatable at present. I therefore adhere to them.

Aside from the matter of finances I should like to add, also, that I cannot subscribe to the notion apparently held in some quarters that legislation of this kind is required to assure contractors of fair and equitable treatment at the hands of their Government. The well-known record of Government contracting during World War II is, in my opinion, monumental evidence that contractors were accorded eminently fair treatment, by all known standards of law and equity. I am confident they do not expect, or want, the Government to now embark upon a program of underwriting the element of risk that is a normal incident of any contractual undertaking for profit. Such a program, among other things, would destroy the existing system of competitive bidding which is an integral part of our free-enterprise economy, and it would virtually annihilate any incentive to perform efficiently.

For the foregoing reasons, I am constrained to withhold my approval from S. 3906.

HARRY S. TRUMAN.

THE WHITE HOUSE,
August 21, 1950.

FEDERAL-AID HIGHWAY ACT OF 1950

Mr. LUCAS. Mr. President, I move that the Senate proceed to the consideration of the bill (H. R. 7941) to amend and supplement the Federal-Aid Road Act.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 7941) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. It is my understanding that when the Senate convenes tomorrow at noon the time is not divided between 12 and 1:30, and any Senator can speak on any subject during that time.

The VICE PRESIDENT. No division of time is provided.

EXECUTIVE SESSION

Mr. LUCAS. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The VICE PRESIDENT. If there be no reports of committees, the nominations on the Executive Calendar will be stated.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

The VICE PRESIDENT. Without objection, the nominations of postmasters are confirmed en bloc.

That completes the Executive Calendar.

RECESS

Mr. LUCAS. As in legislative session, I move that the Senate stand in recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 9 o'clock and 8 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, August 22, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate, August 21 (legislative day of July 20), 1950:

DIRECTOR OF CENTRAL INTELLIGENCE

Walter Bedell Smith, lieutenant general, United States Army, to be Director of Central Intelligence.

IN THE NAVY

Rear Adm. Jerauld Wright, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as commander, Amphibious Force, Atlantic Fleet.

CONFIRMATIONS

Executive nominations confirmed by the Senate, August 21 (legislative day of July 20), 1950:

POSTMASTERS

CALIFORNIA

Emaline M. Korba, Apple Valley.
Frank A. Salman, Colton.

HAWAII

Arthur C. Lum, Waimanalo.

KANSAS

Raymond W. Harold, Weskan.

MONTANA

Joseph Kelly, Glendive.

NEW YORK

Frederick G. MacCollum, Elbridge.
George M. Miller, Guilford.

OKLAHOMA

Raymond F. Frizzell, Weatherford.

SOUTH DAKOTA

Norman W. Vernlund, Toronto.

TENNESSEE

Walter L. Wildridge, Cedar Grove.

HOUSE OF REPRESENTATIVES

MONDAY, AUGUST 21, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, our creator and benefactor, whose resources of grace and wisdom transcend our greatest needs, may this moment of prayer be one of penitence and praise, of supplication and intercession, of commitment and consecration.

May we now give ourselves in all humility and earnestness to the fulfillment of that blessed time when the kingdoms of this earth shall be the Kingdom of our Lord and Saviour.

Grant that we may be motivated by an all-consuming passion to hasten the coming of that day when men everywhere shall daily walk in fellowship with the Prince of Peace.

Hear us in Christ's name. Amen.

The Journal of the proceedings of Thursday, August 17, 1950, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 101. Concurrent resolution relative to the reenrollment of the bill (S. 3059) for the relief of John J. Sebenick.

The message also announced that the Senate agrees to the amendments of the House to bills and a concurrent resolution of the Senate of the following titles:

S. 1320. An act for the relief of Mrs. Barabita Romero;

S. 2457. An act to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of A. K. Chahroudi; and

S. Con. Res. 97. Concurrent resolution favoring the suspension of deportation of certain aliens.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 2233) entitled "An act for the relief of Ewa Plantation Co., a Hawaiian corporation," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of

the two Houses thereon, and appoints Mr. WITHERS, Mr. EASTLAND, and Mr. WILEY to be the conferees on the part of the Senate.

The message also announced that the Senate had ordered that the Senator from Arizona, Mr. HAYDEN, be excused as conferee on chapter IX of the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, and the Senator from Louisiana, Mr. ELLENDER, be appointed in lieu; be it further

Ordered, That the Senator from Arizona, Mr. HAYDEN, be excused as conferee on chapter X-A of the above-entitled bill and the Senator from Wyoming, Mr. O'MAHONEY, be appointed in lieu.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6000) entitled "An act to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes."

JOHN J. SEBENICK

Mr. DENTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution 101.

The Clerk read the Senate concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the President of the United States is requested to return to the Senate the enrolled bill (S. 3059) for the relief of John J. Sebenick. If and when said bill is returned by the President, the action of the presiding officers of the two Houses in signing said bill shall be deemed rescinded; and the Secretary of the Senate is authorized and directed, in the reenrollment of said bill, to make the following correction:

On page 2, line 2, following the word "received", insert the words "by any agent or attorney on account of services rendered."

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

WADE H. NOLAND

Mr. DENTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Concurrent Resolution 250 asking for recall from the White House of the bill H. R. 2854.

The Clerk read the House concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the President of the United States is requested to return to the Senate the enrolled bill (H. R. 2854) for the relief of Wade H. Noland. If and when said bill is returned by the President, the action of the presiding officers of the two Houses in signing said bill shall be deemed rescinded; and the Clerk of the House is authorized and directed, in the reenrollment of said bill, to make the follow-